

**CITY OF COQUILLE
CITY COUNCIL MEETING MINUTES
January 4, 2010**

COUNCIL PRESENT: Mayor Steve Britton, Councilors E.N. "Corky" Daniels, Loran Wiese, Linda Short, Fran Capehart, Bruce Parker and Matt Muenchrath.

STAFF PRESENT: City Manager Terence O'Connor, Public Works and Planner Director John Higgins, Police Chief Mark Dannels, Library Director Anne Conner, Finance Director Chuck Dufner, City Attorney John Trew and Deputy Recorder Rene Collins.

PRESS: Coquille Valley Sentinel, The World Newspaper

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

1. CALL TO ORDER/ PLEDGE OF ALLEGIANCE

Mayor Britton called the meeting to order at 7:35 p.m.

2. MAYOR'S COMMENTS

Said the agenda is full and he wants to get started with the meeting.

3. COUNCIL COMMENTS

Councilor Muenchrath wished everyone a happy new year. Councilor Capehart said the Chocolates Fantasy will be in a couple of weeks, it will be a fund evening. The Coquille's 125th birthday celebration is scheduled for February 27th at the community building.

4. STAFF REPORTS

Chief Dannels said a grant was received to hold a county wide alcohol and drug free dance on Saturday at the community building and they are looking for chaperones to help with the event. The City received a \$1,400 radar grant from ODOT; the police department received two speed posting electronic signs at no charge from the state. Councilor Parker asked about the sign with the radar built in, City Manager O'Connor said the cost is typically \$3,200 and what it costs to have the signs wired to electricity. Councilor Capehart said she is hoping the kitchen update will be done and encouraged others to come and participated. Library Director Conner did not have any additional information to add to her report. Public Works Director Higgins said that there was a waterline break at 3rd and Central again it was repaired by 2:00 on Sunday. The six inch line is old and has broken in the intersection three times and he is having the engineers estimating the cost of having it replaced. Councilor Parker asked if the cost of replacing the bathroom at Sturdivant park is really \$100,000, Higgins said yes that is what the Marine Board said during their visit. Fire Chief Waddington said the ambulance calls increased to 43 by the end of the month. The ambulance has been heading north once or twice a week. Councilor Parker asked what is the backup when the ambulance goes out of town; Waddington said we have a backup ambulance, and Myrtle Point and Bay Cities Ambulance. Councilor Muenchrath asked how long Roseburg Forest Products had the tender, Waddington said for about two days and most of the people are volunteers at the Fire Department. Finance Director Dufner said the audit will be presented later in the evening. The investment account continues to perform well with interest earnings over 4.9% and he has received funds from DEQ per our request.

5. CITY MANAGER'S REPORT

As part of the City 125th birthday a City pin was designed and they will be sold for a dollar at the City Water Department

The Coos County Fair Board has planned a fundraiser for the evening of January 23rd in the large room at the Community Building and would like to use it at no charge including the kitchen facilities. Mayor Britton asked instead of waiving the fees including the floor fee could the fair board donate some fair tickets for the underprivileged families. City Manager O'Connor said he would pass that request on to the Fair Board. Councilor Parker was concerned that the kitchen would not be cleaned up; Councilor Capehart said there will not be a problem she will be attending.

City Manager O'Connor asked if Council would like to participate in a goal setting session in preparation for the 2010-2011 budget process. Councilor Muenchrath asked what the cost would be; O'Connor said it was around \$1,100 in 2007. Councilor Wiese said he thinks the community thoughts are important with as much is going on in the City and feels it is a

bargain. Councilor Short said she has been disappointed because we have not followed through on the goals. Mayor Britton and Councilor Muenchrath said they would like to hold a goal setting session with Council and advertise for public input and if that does not work then use a facilitator.

Coquille Basketball Club would like to request gym time for the 5th and 6th grade basketball teams, City Manager O'Connor said we have done this in the past and he does not see a problem.

City of Coquille received a Gold Safety Award from CIS for an injury free year. The City was recognized for the fourth year in the row and received the Distinguished Budget Award. O'Connor said most cities our size do not go to the effort that Chuck and staff put forth on this project and congratulated them.

6. PUBLIC PARTICIPATION

Ethel Petre, 1535 Shelly Road Coquille, requested a disabled parking space by the library in front of the Chamber office. Planner Higgins contacted the engineer who is preparing a estimating for cutting the concrete for a ramp. The tree across from Farr's on the corner of Second and Central needs to be trimmed and it is blocking the stop sign. There is space by the post office closest to the community building that is being used as a parking space and she does not think it is a parking space and needs to be painted yellow to allow easier access to the community building parking lot, Higgins will check on the space on the painting.

Nella Abbott, 41581 Swinging Bridge Lane Port Orford, thanked Councilor Short for the self critique and the council goal setting. Ms. Abbott wants what goals were set for last year and how close did Council to meeting those goals. City Manager O'Connor will prepare the information for the next council meeting.

Diane Courtright, felt that Council made disparaging remarks about the committee who would be handling the planning of spending of the funds and it is defeating and does not feel that it is a true statement. Councilor Wiese and Councilor Muenchrath said they did not make that comment. Councilor Parker said he stated that in the past it has been his experience that those groups have not been agreed on things in the past, he said if they get along he will believe that. Councilor Short said she had not seen proof that the three groups have worked together in this type of financial situation. Mayor Britton said there was not a general consensus from Council on the on the comment. Councilor Short thanked Ms. Courtright for bringing her concerns to Council.

Shawn Jennings requested City Council to have the monthly City Council meetings recorded so it can be viewed on TV or via the computer. Mayor Britton said Finance Director Dufner investigated the option said the cost would be about \$50,000. Ms Jennings said the government station is done by volunteers and believes the cost is \$5,000 to \$10,000 a year and the meetings do interest people. Councilor Daniels said that he thought the cost was too expensive high and the quality of the picture and sound were very low. City Manager O'Connor said Robert Jump is streaming portions of the meeting on his web site.

7. CONSENT CALENDAR

A. City Council minutes December 7, 2009

Councilor Capehart made a motion to approve the consent calendar. Councilor Short seconded the motion; all voted in favor.

8. RESOLUTION 01-2010 A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET AND MAKING APPROPRIATIONS

Finance Director Dufner said the reason for this resolution is to correct a \$9,000 budget error in a transfer between the two funds. The Police Department received a \$38,000 grant which requires the Council to accept the grant and appropriate funds. The Police Department needs to move \$12,000 from capital project to material and services to cover the cost of the new police cars because they were under \$5,000.

Councilor Muenchrath made a motion to adopt resolution 01-2010 adopting a supplemental budget and making appropriations. Councilor Daniels seconded the motion, all voted in favor.

9. CONTINUED DISCUSSION ON TRANSIENT OCCUPANCY TAX ORDINANCE NO. 1478

City Manager O'Connor said representatives from the Downtown Merchants Association, Chamber of Commerce and Operation Coquille asked that a transient occupancy tax be put in place. Council requested the owners of the two business effected be invited to voice their view and Councilor Muenchrath asked for a cost analysis on what it would cost the City to implement the tax. The estimated start up cost to the City would be \$1,743.00 with an annual cost of \$503.00 to follow.

Mayor Britton asked for the breakdown of the distribution of the tax. City Manager O'Connor said the laws says 70% of the funds collected are to be used in the promotion of the City of Coquille to the traveling public, 5% of the is retained by the business owner for administrative fee, the reaming 29% is left in the general fund which could be used for the flower baskets and other things to make the city attractive and 1% is given to the state.

Councilor Muenchrath asked if the 5% retained by the business owner would cover their cost and could their percentage be greater, City Manager O'Connor said he would have to check to see if the percentage could be more. Muenchrath also asked if there a certain reason they have to keep their records 3 years and six month, O'Connor said that was what the model had. Councilor Muenchrath thought the City Attorney thought it would be not to have a group named in the ordinance and the draft has a name in it. City Manager O'Connor said the corrected ordinance would not name a group. Mayor Britton asked what is deemed a transient; O'Connor said normally if they stay longer than 30 days, then they usually sign a lease. Gerald Marca Fat Elk Rd,

Gerald Marca, 56314 Fat Elk Road and owner of River Edge RV Park, thanked the City Manager for inviting him to express his concerns. Mayor Britton said the tax would not affect the long term tenants. Mr. Marca is concerned that the money will go to the general fund and he is the one who has replaced his sidewalks around his business. He said a lot of his customers are on fixed incomes and they spend their money in the stores, saw dusters and restaurants. He paid over \$4,000 on just the RV Park last and he does not think it is the time to raise taxes, it will run people out of town and there will be more empty stores downtown. It will create more paperwork for him and people will not come if the tax is implemented. Mayor Britton 70% of the funds collected would be used for promoting the city and who would benefit from more people coming into the City. Mr. Marca said he would not benefit and he does not need the help. Councilor Muenchrath asked what percentage of his customer are over 30 days, he said about 30% percent. Mayor Britton asked if he had any ideas on how to get more money in the area, Mr. Marca said cut budgets back in other areas and then spend some of that money promoting the City. Councilor Parker agrees it is not the best time to raise taxes and when will it stop. Councilor Muenchrath asked if Mr. Marca belonged to any of the groups, he said the Chamber of Commerce. Councilor Short this is to help people find out about Coquille and bring more people into the area. Mr. Marca said he people advertise to because they are not doing good and he does his own advertising and does not need the Cities help.

Pastor Dolen, 56891 Fat Elk Rd Myrtle Tree Motel, agreed with Mr. Marca's comment and can't consent to the tax. Pastor Dolen said his business comes from repeat business and because he has no tax. He feels the revenues are down and it will not help him or his customers. He does not think the Council has the right to tax him and the rate will continue to increase over time. Councilor Wiese said the tax would be \$4 on the \$50 and thinks that would make a person go to the next town and he does his own advertising. Mayor Britton said the Council has not made a decision and that is why the business owners were asked to speak. Councilor Capehart said she stays in motels and does not question what the tax amount is. Pastor Dolen's customers appreciate the Coquille does not have a room tax.

Councilor Parker said the three groups that requested the room tax might want to raise their fees to raise the money. Councilor Daniels asked if Councilor Parker if the chamber has ever had a program for the advertising, Parker said the Chamber can't raise the dues. Councilor Short said the citizens are not being asked to pay the tax it is the visitors.

Brooke Settle 1170 N Baxter Coquille, Coquille Together was a coalition to prevent drugs and alcohol and is not functioning at this time. Operation Coquilles purpose it to beatify Coquille and bring business here. Ms Settle would like to ask why a negative word like transient was used instead of occupancy and what study has been done by the organization and have they submitted a plan of where they would like to advertise and what dollar amount they would need. Mayor Britton said Council did receive a package of information from the committee for Councils review.

Bill Marino 19 S. Baxter, Jean Ivy 61 E. 1st, Kelly Thompson 5554676 Fairview Rd. Mr. Marino said between the three of them they have 104 years of business experience and their goal is to get people to come and spend their money in Coquille, the advertising would be done in publications out of the area. He said the word transient is meant to mean here today and gone tomorrow. The thought is that the tax is in lieu of increasing property taxes our police, fire and public works department serve the visitors. Visitors make use of public services and they do not pay for them. Ms. Ivy said is interested in the tax said that one of the key things it looks at for motels is to see if there is a room tax to help them and the community and to use the transient tax to help promote their business. Mr. Thompson said the money is to be used to help bring more people into the hotels and RV parks, the report shows the amount of tax received goes up because more people are using the

rooms. Councilor Parker asked Ms Ivy if she put 8% tax on paper circulation, how many customers would she still have. Mr. Thompson said the other cities have a tax. Councilor Wiese said the tribe does pay into the Coos bay-North Bend promotion program. Mayor Britton asked what type of publications would they want to advertise in, Mr. Thompson said the Oregon Coast Magazine 3X3 add would be \$830, other business may be able to tie in with the bigger add. The only thing the Oregon Coast Magazine had something about the tea in and the other magazines did not have anything about Coquille. They contacted Joe Bennetti and Mark Manachek at North Bend Lanes was very supportive of the program but they were unable to attend the meeting. Mayor Britton asked if there any history from other Cities showing this type of programs has increased tourism. City Manager O'Connor said that Bandon, Coos Bay, and Gold Beach said the only issue has been with one vendor, and they contract with the Chamber of Commerce to do the promotion, other cities only give 20% to the promotion and the remainder goes to the general fund. City Manager O'Connor said this is another tool to show people there is a community here and what we have to offer. Lane County stated they invested in 168 million dollars in the Travel Lane County program and in 2008-2009 their return was 41.8 million. Tourism spending in the county continues to improve and diversify the economy; travels in Lane County spent \$5.8 million dollars 2008-2009 which has increased over the last twelve years. The report shows how this kind of tax is progressive and it returns more than the investment.

Mr. Marca asked if the committee thought it would add more motels, Mr. Thompson said it would possibly bring in larger business and he suggested each of the business pay their fair share. HE suggested that the hotel owners in Coos Bay and North Bend come and talk and tell how they feel about the tax and how it has affected their business. Mayor Britton told Mr. Marca that this tax would not be forced on them, this is an informational meeting.

Councilor Short said if she owned a hotel or RV park she would raise it to cover the 8% and does not think people would go to another town to stay because of an 8% tax, the tax would benefit Coquille. Mayor Britton asked how do we get the word out about Coquille, Councilor Short said by advertising. Councilor Capehart said the RV Park is wonderful as is the hotel and she doesn't think people will go to another motel or park because of the tax. Mr. Marino said if the tax is approved the committee would like to add additional members to help with the planning and wants to stay the members of the committee do get along and work well together.

Don Kinnard, Fat Elk Rd, feels that everyone is in favor of bringing more business to Coquille and suggested that there possibly be a business licensing fee put in place that would be paid by all the business.

Shawn Jennings feels that the tax will benefit the community because of the advertising that could be done with the dollars.

Ethel Petre asked what are we promoting and what is the draw to Coquille, Mayor Britton said our beautiful city, fishing, the river and the Sawdust Theatre. Ms. Petre does not agree with the tax.

Mr. Marca said every business should pay a portion to promote Coquille not just the motel and the RV Park.

Councilor Muenchrath said he feels the City should be promoted and he looks at the magazines and advertising will help. He is troubled that only a few businesses are affected and their bottom line. He is not convinced it would create enough dollars for the advertising that may be needed and thinks there needs to be a long term plan. He feels during the budget process some matching dollars from the general fund should be set aside to help with the advertising and it is not a good time for a new tax. Councilor Daniels agrees with Councilor Muenchrath and he does not feel it is a good time for another tax and is opposed to the tax. Councilor Wiese would like to continue to work with the group to find some funding and get some advertising. Councilor Parker is opposed to the tax and does not think it is a fair tax, but he is a business person and believes in advertising. Councilor Short said she is in favor of the tax, and there is no good time for and additional tax, but feels that the advertising is needed. Councilor Capehart is also in favor of the tax and feels the advertising will bring more people to stay and shop in the City. Mayor Britton thinks the City does need to be promoted in a way that is fair to all the businesses, but does not think the timing is good to add an additional tax but it will come in the future. Councilor Wiese volunteered to work with the promotion committee to work on the advertising plan and help find some funding.

Councilor Daniels made a motion to table the transient tax indefinitely, Councilor Wiese seconded the motion, Councilor Short and Capehart voted against the motion all others voted in favor.

10. INTERGOVERNMENTAL AGREEMENT BETWEEN CITY OF COQUILLE, COOS AND CURRY COUNTIES TO IMPLEMENT A HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLAN

City Manager O'Connor Coos and Curry Counties have come together to create a permanent location for people to drop off their household hazards waste. Coos Counties will be at Beaver Hill, each City will allow the hauler to increase their fees by .28 per can per month or an extra \$3.27/ton for the commercial sold waste haulers.

Councilor Wiese made a motion to approve the intergovernmental agreement between the City of Coquille, Coos and Curry Counties to implement a household hazardous waste management plan. Councilor Muenchrath seconded the motion, all voted in favor.

11. PRESENTATION OF THE 2008-2009 FINANCIAL AUDIT

Laura Fisher of Hough McAdams and Wartnik CPA presented the audit. Ms. Fisher state the Urban Renewal Agency (URA) receives a separate report even though it is also including in the City financials because it is fund of the City. Included in the packet is a letter which discusses the responsibilities of the auditors, council and management and if there difficulties and there were none the audit was very clean. The auditor's opinion letter is included in the packet and it states the accounting principles generally accepted are being used by the City. Ms. Fisher reviewed the audit procedure that takes place during the year and said there were no discrepancies found. There were a couple of minor budget violations, there were over appropriations, the water fund in personal services was \$1,697 over budget and the property management fund was over budget \$4246.

Councilor Parker made a motion to accept the City audit for year ending 2008-2009. Councilor Wiese seconded the motion, all voted in favor.

12. ADJOURNMENT

Mayor Britton adjourned the Council Meeting at 9:30 p.m.

Mayor, Steve Britton

ATTEST: _____
Deputy Recorder, Rene Collins

URBAN RENEWAL AGENCY
January 4, 2010

1. CALL TO ORDER

Chairman Wiese called the meeting to order 9:40 p.m.

2. APPROVAL OF MINUTES DECEMBER 7, 2009

Member Daniels made a motion to accept the minutes of December 7, 2009. Member Britton seconded the motion, all voted in favor.

3. URA PROJECTS AND PROJECT FUNDING OPTIONS

Finance Director Dufner presented a listing of the City projects that could be funded partially by the URA. The projects are \$11,750,000 which is about the amount of the money the URA is projected to bring in by 2020 based on the revised forecast presented by Tina Mosca last month. Finance Director Dufner feels that if we have patience we can fund the projects without going out for additional funding, because the URA taxes will begin to come in sooner as McKays's and Coos Curry Electric building projects are completed. URA can make a commitment to a project, without going issuing debt at this time, and that would let the project look for grants and see what is available, as grant dollars may be down due to the market. He stated we need to be patient and the money will come and the projects can be completed.

Member Britton asked about a letter of support to the pool committee, it was tabled until this meeting.

Councilor Short wanted to know to if the URA could commit to \$600,000 to the pool so they could proceed with grant funding requests. Finance Director Dufner if the agency chooses the pool project it would take the entire budget for this year and next year and there is also some capital project dollars possibly available. Councilor Muenchrath thought the letter could come from the City and the amount was around \$500,000. Member short said they need 1/3 of \$2,500,000 and the committee has raised \$250,000. Finance Director Dufner believes there are sufficient funds to make a commitment to the pool project.

4. RECONSIDERATION OF AUTHORIZING THE PLACEMENT OF BANNERS

Member Short said in the packet is a sample of a possible banners, the thought is there would be 2 styles of banners one for the highway and one the downtown area. The Banners are 16'X45" one style of the banners will have the historic Sherwood Home for the highway and the other would say something about welcome to Coquille. The cost for 55 banners with the brackets is approximately \$7,000. The life of the banners will be from eight to ten years and occasionally they need to be stitched again and they do not fade.

Member Capehart made a motion to approve the purchase of 55 banners with the brackets in the amount of \$7,000. Member Britton seconded the motion. Member Muenchrath wanted to verify that the cost would not go over \$7,000 and he does not think it is the time to spend money on fluff. Member Short said no the cost would not go over the \$7,000.00. All members voted in favor. Member Short would like to form a committee to continue to with the project and choose the banners. Chairman Wiese appointed Member Short as the committee chair and Member Capehart will participate along with anyone else who would like to participate can contact Member Short.

Kay Marino, 19 S. Baxter Coquille, wants to know what the criteria for URA projects is and how will the projects be measured. Chairman Wiese said the projects are listed in a report, and at the last meeting when the list was reviewed it was decided the pool would affect the community the most. She feels goals should be set and the projects need to be looked at see how the projects will benefit the community short and long term. Three studies she read came up with the following consistent results about libraries. For every dollar invested in the following cites the return in Ohio was \$3.81 and in Wisconsin \$4.06 in accrued in value. Libraries improve quality of life by providing business with information about markets and suppliers, job seeker find information about careers, resume preparation and interviewing. Libraries provide the internet and workshops. Libraries are good for the economy, consumers can use the library for financial planning, scholarship information and education, and they are good for society and government. Our library needs our help with funding and hopes the library is on the project list with the URA.

Tony Spenader 645 E 1st Street, has been a book buyer and is a book reader. The library is open 6 days a week, has free internet and is open year round. He feels it is important to the community

City Manger O'Connor said the library and pool are both important to the community and the URA will be able to help with both projects. The pool is further along in the process then the library, the pool has been approached with possible funding and the library needs to find property and raise more dollars, it is a matter of timing.

Nella Abbott, 41581 Swinging Bridge Lane Port Orford, did some research and has some questions regarding ORS, the Urban Renewal Agencies and the Comprehensive Plan that was written for the City of Coquille. The Comprehensive plan is like the URA plan and how they talk about the downtown core area. The ORS laws are very clear on how the URA money can be spent and she understand the first item on the list is it is suppose to eliminate urban blithe, and the purpose of the funds is to create a larger tax base for the City. Chairman Wiese said by spending the URA money wisely and if that means putting in a new library and pool that will encourage people to move hear that will create a larger tax base. Ms. Abbot said URA fund are suppose to be used specifically to eliminate urban blithe, Chairman Wiese said the report is 20 pages long and listed the different items the funds may be used for. Ms. Abbot said she is concerned how the money is going to be spent and how it is suppose to be spent. Ms. Abbott thought public safety was supposed to be number one on the list. Member Muenchrath said he understands the plan to that you want to use some of the funds to help improve business properties to create a larger tax bases and some dollars should be spent on other projects like libraries. Chairman Wiese said there is a list of items that the URA dollars can be spent on and public safety is included and the original intent of URA was to build fire halls and city halls, and the rules have changed. Ms Abbott is concerned about public safety for example a fire station that can't hold it engines and public safety and she just wants to make sure the funds are used in a legal and wise manner. She loves the plan of the new pool and the thought of a new library.

Ms. Jennings Coquille, said the library is partially funded by the district. She thinks the projects need to be prioritized and one of the first thing the library is looking for is some financial support in possibly purchasing the property that McKay's is located on at this time and would like it considered in the long term plan of the URA. Chairman Wiese said that patience is important in the process. Member Capehart said that Coquille is ahead of other cities because we have the dog park, pool and a library.

Member Muenchrath asked if there is going to be a motion to make a funding commitment to the pool, because they are at their window of opportunity.

Member Muenchrath made a motion to approve a commitment letter from the City not specifying the source of funds to meet the requirements of the grants for the pool project. Member Parker seconded the motion. Member Short said the dollar amount needs to be stated. Attorney Trew said there may need be some contingencies listed in the motion. Councilor Short said she understand that is needs to states that 1/3 of the money is available. Member Muenchrath is concerned about the dollar amount being requested. Member Short said it will depend on what the pool cost comes in at. Member Muenchrath withdrew his motion.

Member Short made a motion that the Urban Renewal Agency of the City of Coquille write a letter stating they will commit up to \$500,000 to the swimming pool project provided the pool committee within 18 months garners the remaining funds. The commitment will expire in 18 months from the date of the letter, if the pool committee does not garner the funds within the 18 month time period the funds will be returned to URA to be used for other projects. Member Muenchrath seconded the motion. Executive Director O'Connor said that he wants the members to understand that those funds have been expensed until the 18 month expires. Attorney Trew said that the other groups are going to take this as a promise to pay and if they have not raised the additional funds the committee may ask for more money. After further discussion about the time length of twelve or eighteen months, Member Britton made a motion to amend the motion to a term of 12 months. Member Muenchrath seconded the amendment to the motion, all voted in favor of the amendment to the motion.

Chairman Wiese called for a vote on the amended motion as follows the Urban Renewal Agency of the City of Coquille will write a letter stating they will commit up to \$500,000 to the swimming pool project provided the pool committee within 12 months garners the remaining funds. The commitment will expire in 12 months from the date of the letter, if the pool committee does not garner the funds within the 12 month time period the funds will be returned to URA to be used for other projects. Member Short voted against the motion, all others voted in favor.

5. ADJOURNMENT

Chairman Wiese adjourned the Urban Renewal Agency meeting at 10:40 p.m.