

**CITY OF COQUILLE
CITY COUNCIL MEETING MINUTES
September 8, 2009**

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 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

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

2. PLEDGE OF ALLEGIANCE

3. MAYOR'S COMMENTS

4. COUNCIL COMMENTS

Councilor Daniels said the Kiwanis wanted to thank the City for the use of Sturdivant Park. The proceeds are used for youth programs and funding of Doernbecher Children's Hospitals. Councilor Wiese said there was a water line break in front of his house; he thanked the Public Works department for working until midnight to get it fixed. Councilor Short said the swimming pool has 25 dogs in it of all sizes and they are having a great time. Councilor Short asked if we could ask McKay's and Coos Curry Electric if they could include a little bit of the river walk path when they lay their asphalt; City Manager O'Connor said yes he would contact them. Councilor Capehart said Friday is Patriots Day and VFW will have all the flags displayed and two benches will be dedicated on Friday at 2:00 p.m. The VFW will be ending the collection of cans to be used to purchase items for the 11 troops from this area.

5. STAFF REPORTS

Public Works Director Higgins said his report is in the packet and he would be glad to answer any questions. Councilor Muenchrath asked if there are other pipes that are old like the one that broke on N. Adams and Hwy 42 and can they be checked before they break. Higgins said other areas were checked during the waterline replacement and it is an ongoing project. If a line replacement project is planned every year or two in an area that will help with the repairs of the old lines.

Library Director Conner said there has been an increase in library and internet use in the past month.

Chief Dannels said the Police Department received \$1,000 from Wal-Mart for the Shop with the Heroes program and Coquille Fire Department also received a \$1,000 donation. Each officer was given a budget of \$1,000 to upgrade their education this fiscal year and five officers have enrolled in college for the fall term. The Haunted House for Halloween is being worked on with the school. An EMT class will be held at the Fire Department in January, and the Police Department applied for \$11,000 grant for the officers who will be attending. The Police Department will be holding a Citizen Police Academy. The DUI task force has been very active during the past couple of months; it is a joint project with the other law enforcement agencies. The World Newspaper had an article about the South Coast DUII Task Force in the Saturday edition.

Finance Director Dufner said the investment account is still earning 4.8% but is dropping off as the dollars are maturing and they will renew at about 1.3%. Last month Council approved the change from US Bank to Sterling Savings Bank and he feels they are customer serviced based and security conscious. US Bank visited the City and said they were sorry to see us go. Sterling Bank lost money last quarter and might this quarter;

they have acquired a bank and had some losses due to acquisition of another bank. The City funds are guaranteed due to the fact that it is a transaction account and the funds are collateralized by Sterling Bank, which also guarantees the funds.

6. CITY MANAGERS REPORT

City Manager O'Connor said Fire Chief Waddington wanted to advise there are still burning hours and restrictions in the City even though we have had some rain. Fire Prevention week is coming up and Coquille Fire Department will hold their annual open house on October 7th or 8th.

Gary Barone is home for the hospital and looks good and will be receiving his 20 year award next month.

Councilor Short, Sam Nishi and O'Connor surveyed the area for potential utility poles to display seasonal promotional banners; 97 possible poles were identified. They are looking at the cost estimates for the brackets and banners. The idea is to attract visitors to Coquille as well as developing a think buy attitude from the residents. City Manager O'Connor is asking Council to approve the hanging of banners in the City to present to the utilities. Hopefully one of the local groups will take ownership of this project.

Councilor Capehart made a motion to direct staff to write a letter authorizing the hanging of banners in the City of Coquille. Councilor Parker seconded the motion; all voted in favor.

City Manager O'Connor said he will be attending ICMA Conference next week and will be receiving an award for 30 years of service.

It has come to the City's attention that we do not have an ordinance that addresses the use of bows and arrows or crossbows in the City limits and an amendment was thought to be needed. Councilor Muenchrath said there is an ORS that applies that will aid the police department with this issue.

A widget has been added to the City's web site which will takes interested viewers directly to the CDC website which contains information on the H1N1 and general flu.

7. PUBLIC PARTICIPATION

Ms. Nella Abbott said there is nowhere to get a drink of water in City Hall, and thinks it would be nice to have a public drinking fountain.

8. CONSENT CALENDAR

A. City Council minutes August 3, 2009

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

9. AUTHORIZATION TO REDUCE ENDING CASH IN GENERAL FUND

Police Chief Dannels said he put in an application for a grant to fund an officer position in the amount of \$68,000 and was unsuccessful. Dannels is requesting \$37,466.00 to partially fund the officer position and the other half would be funded by not replacing the Community Service Officer or the Parking Enforcement Officer and those budgeted dollars for the other \$37,466.00. Councilor Muenchrath asked if those funds are available. City Manager O'Connor said yes they are. Muenchrath asked what impact does this have on the Police Department being down an officer. Dannels said overtime has increased due to having to cover those shifts; they are unable to do as much as they want in the community. Dannels said he wants to keep the position and does not want to see the department go backwards. Muenchrath asked where this puts us in the future. Dannels said they are doing a strategic plan for the future and the budget does drive part of the decision. Councilor Muenchrath asked how this person would be chosen, Dannels said through the application process.

Councilor Muenchrath made a motion to allow the ending cash for the City of Coquille to be reduced by \$37,466. Councilor Short seconded the motion; all voted in favor.

Mayor Britton asked if the Code Enforcements officers and Parking Enforcement position will be filled in the future, and Dannels said it will depend on the budget. Councilor Wiese asked if we would be sending someone to the academy for 18 weeks. Dannels said that is a possibility. Councilor Wiese said are we looking at a one year position. City Manager O'Connor said yes it could be, but enhanced revenue streams are being looked at.

10. REQUEST BY MRS. BARBARA REEVES TO PAVE W.6H STREET

Ms. Reeves presented signatures she had collected supporting the request to pave W. 6th Street. Ms Reeves stated the street has a huge crack down the center and it has several holes. Several pictures were shown to Council and the audience. Councilor Parker asked if the residents would be interested in LID. Ms. Reeves did not know. Planner Higgins said the last time the Street was overlaid was when the County had their shop where the church is located. She feels the street has been neglected for a long time. Mayor Britton said this street is considered poor and could be considered in the next round of improvements. Mayor Britton asked if the cold patch would hold it through the winter. Planner Higgins did not think so and he also said look at 600-800 block of West Birch. Ms. Reeves said she would appreciate any consideration to the paving of W. 6th Street.

11. ACCEPTANCE AND AWARD OF BIDS FOR REPAIR OF N. ADAMS STREET

City Manager O'Connor said the repair on Adams Street is required due to the 10 inch waterline break a few weeks ago. The south bound traffic lane line needs to be replaced. Bids were received from Knife River, Johnson Rock and Bandon Concrete. The waterline has been repaired.

The engineers estimated cost is \$29,550.00

Councilor Parker made a motion to accept the following bids:

Knife River	\$25,646.50
Johnson Rock	\$32,181.30
Bandon Concrete	\$39,680.00

Councilor Capehart seconded the motion; all voted in favor.

Councilor Parker made a motion to award the bid to repair North Adams Street in the amount of \$25,646.50. Councilor Capehart seconded the motion; all voted in favor.

City Manager O'Connor said the funds will come from the contingency in the water fund since they caused the damage.

12. STEPHEN & NELLA ABBOTT – MULTIPLE ACCOUNTS 99 E 2ND STREET

Nella Abbott, 41581 Swinging Bridge Lane Elk River Curry County, is half owner of old City Hall. In August the Abbotts received a double water bill and thought there was an error. They were told that it is now considered 2 units even though their monthly water usage has always been below zero. After several emails they were referred to the City code which states they are a commercial establishment and section 7 refers to their circumstances. They feel they do not meet any of the requirements of section 7 and should not be charged for two units. The Abbotts received a conditional use permit from the Planning Commission to allow living quarters in the basement. They have not made any improvements at this time to make it a living situation, at this time the Abbotts live on the Elk River. Their office in Coquille is open Tuesday through Thursday and occasionally they stay overnight in the basement if they are attending a social function. Ms. Abbott stated they are only one unit, with one meter and should only receive one bill.

Finance Director Dufner said the Abbotts received a variance to have living quarters in the basement and the City does not track if any improvements have been made, and there was possibly a computer repair office also upstairs. In an email received from Ms. Abbot stating; they are building owners, business owners who occasionally live where they work. Dufner believes if you live and work from the same building that makes you a business owner and an occupant. That is why they received two bills. They were also told when they set up their water account that if they had an apartment in the basement they would be charged for two units. Councilor Muenchrath asked if two accounts can be open and only one billed. Dufner said that a separate meter could be installed and have one turned off. Councilor Muenchrath asked how much the monthly bill is and for

a copy of the note. Ms. Abbott said the bill is approximately \$46.40. Councilor Short asked Ms. Abbott to clarify that she feels since they don't live there and have a business there then they should only pay one bill. Ms. Abbott said Abbott Enterprises LLC owns the building, and they are planning on having some actors come and do a show in October; they have no renters at this time and they feel like they have been blindsided. Mayor Britton asked if they are planning on putting in a full apartment or renting space in the future; Ms. Abbott said they are not planning on renting anything out in the future. Councilor Muenchrath asked if the City has any other commercial business in the same situation. City Manager O'Connor said the ordinance is a result of issues in the downtown area with multiple tenants in single buildings. The ordinance says if you can secure one side from another and allow one business to operate while another is closed and be secured you would be charged for two units. City Manager O'Connor said the Abbots applied and received a conditional use permit from the Planning Commission for a residence, which would be a unit and the law office would be a second unit. Both of those units can be secured from each other, which would allow independent use of each area. Councilor Wiese asked if the building has the possibility of having four separate businesses. Ms. Abbott said yes, but not likely. Ms. Abbott said they purchased one unit from the City and they have done nothing different. At some point if they thought it was necessary they would rent the apartment if there was a kitchen. They do not reside at Old City Hall. Councilor Muenchrath proposed to keep both accounts open and only charge one bill until advised, but he is concerned about other uses of the building and others using the building. Ms. Abbott said her purpose is to create a cultural commons in the old council chambers and she was not aware that if you have multiple activities in a building you were charged a separate water bill for each. Council said if you have separate business you can be charged for another unit. Mayor Britton said he liked the idea of keeping the second account open and if the water usage changed then they would be charged for the two accounts, but he would need to clarify that with O'Connor and Trew. City Manager O'Connor said that the same argument could be made by those who own apartments with one meter, the ordinance states you install individual meters or pay for those individual units because the City can't be responsible for identifying when tenants or businesses move in and out. If you base your decision on consumption then others will be coming to council and claim their consumption is not high, the water rates are based on the EDU and number of units and if the number of units changes the pricing structure could change. Ms. Abbott said if they have an apartment or rent office space she would notify the Council. Mayor Britton asked why they had applied for a conditional use permit. Mr. Abbott replied because they work here and so they can stay overnight in the basement, not to live in, and he does not feel the space is a residence or a dwelling. Councilor Capehart said these regulations were adopted by the Council. Councilor Muenchrath is concerned that this going to create problems for the City staff as the ordinance is written. Mr. Abbott said the definition of a dwelling is somewhere you always plan on returning to; he said it is a stopover. Councilor Capehart said section 7 does apply because you have a commercial property with a law office with a securable exterior door. Ms. Abbott said there are Abbott Enterprises and Abbott Law Offices in the building and they are only secured by one exterior door, there are no locks on the office.

Mayor Britton asked for Attorney Trew comments. Trew said there is always an exception when writing definitions concerning water and sewer. Being an LLC does not determine how many businesses there are in a building. Someone will always feel the ordinance is unfair to them; Council is the final determining factor of interpreting the ordinance.

Councilor Muenchrath made a motion to keep both accounts open and effective the month of September they only billed for one unit, however if the Staff determines there is more than one business in the building they are charged accordingly.

Ms. Abbott booked a professional acting group for October 23rd, 24th and 25th for a performance. Councilor Wiese said in the building there will be a law office and Ms. Abbott's business so will there be two businesses in the building next month; Ms. Abbott said it is part of Abbott Enterprises. It was requested that the City find a way to measure the usage of water for the weekend and they could pay extra. Councilor Capehart asked if the acting group would be making money from these performances, and she said yes. Attorney Trew said the question is not about events being held for a few days. Councilor Short asked if it becomes a business if they charge and Trew said not necessarily, but at some point it could be continued a business. Councilor Wiese said this is over \$46.00 dollars and Ms. Abbott said it is the principle. Mayor Britton suggested possibly tabling the discussion until the next council meeting to give staff and council time to come up with some ideas. Ms. Abbott asked that she be given until after her planned event in October. Mayor Britton said the decision should not affect her event.

Councilor Muenchrath made a motion to table the matter until the November Council Meeting. Councilor Wiese seconded the motion; all voted in favor.

13. ORDINANCE ADOPTING AMENDMENTS TO THE CITY OF COQUILLE MUNICIPAL CODE TITLE 13.040.060 METER READING AND BILLING

Finance Director Dufner said customers are questioning why they receive a door hanger and a \$10.00 fee if they have made arrangements. City employees have also experienced animal attacks while trying to hang the notices on doors. The following changes are proposed to clarify the issues and change the ordinance:

A “door hanger” or “twenty-four (24) hour door hanger” would now called a “disconnect notice”

A “24 hour door notice charge” would now be “late payment fee”

A notice “shall be placed on the customer’ door” would now read “delivered to the customer’ property”

Councilor Wiese made a motion to adopt ordinance 1477 adopting amendments to the City of Coquille Municipal Code Title 13.040.060, meter reading and billing. Councilor Muenchrath seconded the motion. The vote was as follows:

Councilor Muenchrath - yes

Councilor Daniels - yes

Councilor Wiese - yes

Mayor Britton - yes

Councilor Parker - yes

Councilor Short - yes

Councilor Capehart – yes

14. RESOLUTION 20-2009 A RESOLUTION AMENDING THE CITY OF COQUILLE LICENSE, PERMIT & PROCEDURE BOOK, RESCINDING THE 24 HOUR NOTICE FEE, AND ESTABLISHING A LATE PAYMENT FEE.

Councilor Wiese made a motion to adopt resolution 20-2009 amending the City of Coquille License, Permit and procedure book, rescinding the 24 hour notice fee, and establishing a late payment fee. Councilor Muenchrath seconded the motion; all voted in favor.

15. WASTEWATER PLANT FINANCING OPTIONS

City Manager O’Connor said no additional funds have been secured or any additional grants for the construction of the new Wastewater Treatment Plant from any State or Federal Agencies. A second intake has been submitted for the \$2,500,000 loan including a \$500,000 grant from the OECDD now OBDD, no response has been received. Staff would like to proceed with USDA Rural Development money for permanent financing, which would require interim financing. The interim financing is available through DEQ with 1.18% rate for 2 years and the City would purpose no early payoff penalties with the USDA. The Feds say you have 40 years the state says you have 15 to 20 years to repay the loans. DEQ does not advise the 40 years financing because of the possibilities of having to build another new plant in 20 years. The cash flow with the current rate structure the City has will allow the pay down of the loan for total years of approximately 25 years. Staff’s recommendation is to proceed with securing of USDA RD permanent financing and OBDD and DEQ interim financing for the plant.

Councilor Muenchrath made a motion to direct staff to proceed with securing of USDA RD permanent financing and OBDD and DEQ interim financing for the plant as stated and recommended by the staff. Councilor Wiese seconded the motion; all voted in favor. Mayor Britton asked if Finance Director Dufner would come back with a shorter amortization schedule for review; he said he would do that.

Shawn Jennings asked how much will the plant cost and will the rates go down. City Manager O’Connor said the estimated plant cost is \$10,298,000.00 with the total cost being 16 million dollars with a 40 year payback. He stated the rates will not go down. DEQ has not provided all the standards for the new plant. They say trust

us. The rates were not raised from 1990 to 2000 because the costs were unknown, which in reality were too low. To qualify for grants the government said that Cities have to meet the statewide rate standards for Cities of our size and technology does not get cheaper.

16. ADJOURNMENT

Mayor Britton adjourned the Council Meeting at 9:13 p.m.

Mayor, Steve Britton

ATTEST: _____
Deputy Recorder