

Council Present:

Omar Bowles
Brent Gifford
Ted Romoser
Jane Vincent

Holly Campbell
Adam Pelatt
Dave Stram

Staff Present:

Michelle Amberg
Roberta Tharp
Cliff Bellew
Shelley Humble
Maddie Phillips
Maia Hardy

City Administrator
City Recorder
Public Works Director
Airport Manager
Planning Technician
Rare Participant

Council Absent: 0

Press: 1 – Creswell Chronicle – Scott Olson

Audience: 37

The regularly scheduled City Council meeting was called to order by Mayor Dave Stram at 7:00 pm and the Pledge of Allegiance was given.

Mayor's Report

Recognition of Ms. Collins Class Artwork

Mayor Stram introduced the artists from Ms. Collins' third grade class who participated in the artwork project for the 2nd floor of City Hall.

Mayor Stram congratulated Mr. Richard Heyman and Holly Campbell for their win as City Councilor's in the November 4th election.

Councilor Pelatt spoke in regards to the street light banner project he has been working on since the beginning of 2014. The banners honor recent Creswell High School graduates who have joined the military. He presented the banners to the families at the High School Veteran's Day Breakfast and is hoping to have them hung downtown in the very near future.

Councilor Pelatt read a Proclamation proclaiming the week of November 9th through November 15th as National Veterans Awareness Week in Creswell.

Mayor Stram announced and congratulated the High School Girls volleyball team for winning 2nd place in the State this season.

Mayor Stram reminded everyone of the Veteran's Day Ceremony happening tomorrow.

Public Forum

Richard Heyman, Creswell resident and Councilor elect addressed the Council to speak in opposition of Resolution 2014-25 – Water Rate Increase.

Jurgan Ramil addressed the Council to inform them of an Awareness Walk he is participating in on Veterans Day. This walk addresses suicide prevention for Veterans.

Correspondence

Councilor Bowles announced that the Lane County Sheriff's report is back online. The website page includes a call description and a map.

Consent Calendar

Councilor Romoser moved Adam Pelatt seconded to approve the consent calendar as presented. Voted on and the motion carried unanimously.

Administrative Report

Administration

No report was given

Airport

No report was given

Finance

September 30, 2014 Financial Summary

September 30, 2014 Financial Statement

No comments were issued on the financial statements.

Public Works

No Report was given

Council Action Items

Pay Request #1 Knife River – City Hall Parking Lot

Brent Gifford moved Holly Campbell seconded the City Council approve Pay Request #1 from Knife River for work on the City Hall Parking Lot Project in the amount of \$78,992.50 as presented. Voted on and the motion carries unanimously.

Resolution 2014- 22 A Resolution of the City Council Adopting City of Creswell Municipal Building Use Policies and Procedures and Repealing Resolution 93-03

In response to a question asked by Councilor Vincent, Ms. Amberg noted that until we receive an occupancy permit from the State Fire Marshall we are not allowed to rent out the rooms upstairs in City Hall. Once the permit has been received a rental policy will already be in place.

Adam Pelatt moved Omar Bowles seconded that the City Council adopt Resolution No. 2014-22 A Resolution of the City Council adopting City of Creswell Municipal Building Use Policies and Procedures and Repealing Resolution 93-03. Voted on and the motion carries unanimously.

Resolution 2014-23 A Resolution Creating a New Salary Schedule to be Implemented January 1, 2015 and Repealing Resolution No. 2014-15

Ms. Amberg noted that she and the Municipal Judge are contract employees. The proposed salary schedule has been reviewed and is recommended by the Finance Committee. The overall budget impact for the proposed schedule this fiscal year is calculated at \$24,506 and this increase can be absorbed by the FY 2014/15 budget without requiring any changes.

Holly Campbell moved Brent Gifford seconded The City Council adopt Resolution No. 2014-23 A Resolution Creating a New Salary Schedule to be implemented January 1, 2015 and Repealing Resolution 2014-15 as presented. Voted on and the motion carried unanimously.

Skate Plaza Checking Account Close Out

Brent Gifford moved Omar Bowles seconded that the City Council authorize staff to close the Skate Plaza Checking Account by voiding the outstanding check, issuing a check for the current balance of the account to the general checking account, and re-issuing the refund check for \$14.97 for donations received from the general checking account. Voted on and the motion carried unanimously.

Resolution 2014-24 A Resolution Designating Land to Site an Automated Weather Observation System (AWOS) to Support Aviation at Hobby Field

The FAA has requested that the City pass a resolution designating land for the AWOS site since the site falls outside the footprint of Hobby Field. Shelley Humble reported the FAA would like the City to designate the AWOS site for a period of twenty years (the length of time we are tied to the AIP (Airport Improvement Program) funds). A discussion ensued as to whether or not the site would interfere with the skydivers. Ms. Humble reported this site has been approved by the engineers and the FAA; it is outside the City boundary so during the permit period with the County, a public comment period was held. During that comment period, a skydiving business at the Airport filed a concern which was later withdrawn. The City has received a permit from Lane County for the placement of the AWOS.

Ms. Humble hopes to put the project out for bid at the end of November which will hopefully be completed at the end of May.

Jurgen Ramil, DeBerry Road resident and skydiver addressed the Council to express his safety concerns regarding the AWOS.

Councilor Romoser asked for clarification on the definition of "designating land". Ms. Amberg replied that this is an assurance that once the FAA releases the funds, the AWOS will be built and will remain on that designated site for the next twenty years.

Adam Pelatt moved Omar Bowles seconded that the City Council adopt Resolution 2014-24, A Resolution Designating Land to Site an Automated Weather Observing System to Support Hobby Field as presented. Voted on and the motion carries with Councilors Gifford, Bowles, Campbell, Pelatt, Romoser and Mayor Stram voting in favor and Councilor Vincent voting in opposition.

Water Fund Debt Service Payment

The City has a twenty five year loan for the Water Treatment Facility. If the City pays on this loan according to the original terms, for the life of this loan (2038), it will cost the rate payers \$2,530,860.18 in interest. It was discussed during this year's budget process to reduce the Water Fund debt by making a significant principal payment on the loan provided by IFA (Infrastructure Finance Authority). Since the budget process, this note has rolled over into a long term loan with a principal balance of \$4,672,688.13 and an interest rate of four percent. If Council approves the proposed \$2,280,846.85 additional principal payment, the interest savings to rate payers will be \$2,004,606.87 over the life of the loan. With the additional principal payment the loan will be paid in full within ten years; the life expectancy of the facility is twenty years and having debt which outlives the expected useful life of an asset is not recommended and does not adhere to best practices guidelines.

Brent Gifford moved Adam Pelatt seconded that the City Council make an additional principal payment of \$2,280,846.85 toward the Water/Wastewater Loan #G06001 with the regularly scheduled debt service payment due on December 1, 2014.

Councilor Vincent noted she would like to see this item tabled until the December meeting, to provide the Council time to explain it to the public. Ms. Amberg noted the payment is due on December 1, 2014 and if tabled until the next meeting we will miss the payment deadline. Councilor Gifford noted this agenda was discussed during the budgeting process where citizens were in attendance. He continued by saying this discussion has come forth on the past two work sessions agendas, which has provided the public at large the opportunity to hear.

Councilor Romoser asked if the water fund is running close to what is available. Ms. Amberg explained that with long term debt and the quicker you pay your debts off, the better off you are. She went on to explain that monthly water rates reflect what our needs are to cover the expenses for water service. By not addressing the rates now, it won't be long until our expenditures will be greater than our revenues in the water fund; the rates however are a separate issue from how we pay down our debt. A discussion ensued regarding the water reserve fund and how it is used for capital improvement projects. Budget Law defines how those moneys can be spent.

Richard Heyman, Councilor elect addressed the Council to comment. Mr. Heyman asked for clarification that according to something he has read, the City has two million plus in a bank account run by the state. The bank is paying the city 0.54 percent interest on that money and then charging us four percent interest for the loan. He doesn't understand why we are discussing an increase in water rates.

Ms. Amberg explained that the state agency where we are keeping our money is not the same agency we pay the loan to. The interest for the Water Treatment Facility loan is four percent.

Councilor Gifford explained the City has a loan for the water treatment facility with a state agency that has been holding on to the note. On July 15th, the agency rolled the note into a long term loan with a principal balance of \$4,672,688.12 and at an interest rate of four percent. While the agency was holding the note, the City has been stowing away their payments (\$2,280,846.85) that would have been due had this been a true loan and are now looking for the approval of the Council to apply this money towards the loan. Mr. Gifford continued that this money has already been saved and can only be applied to infrastructure not rates. By approving this expenditure we are saving our taxpayers \$2 million and knocking fifteen years off the loan.

Councilor Vincent expressed her concern for the citizens. Councilor Gifford reiterated that this money is already saved and we wouldn't be asking anyone to contribute \$2 million more. It is simply paying down an infrastructure loan with money that cannot be spent on water rates and we would have been making the payments all along if the loan had been a true loan.

Voted on and the motion carries unanimously.

Resolution 2014-25 A Resolution Rescinding Resolution 2006-30, Establishing Water Service Fees and Water Rates for Users of the Creswell Municipal Water System

Ms. Amberg presented to the Council, Resolution 2014-25, a resolution to increase water rates. As a result of Council concerns she explained a Water Rate Study was undertaken by the FCS Group. The results of the study were found by the Council to be inadequate in providing the information needed regarding the City's water rates. In July of 2013 the Mayor tasked the Public Works and Transportation Committee to review the City's water rates and the study results. The committee has met on numerous occasions and has determined that in order for revenues to cover expenses in the Water Fund, and to meet both debt service requirements and replacement cost of aging infrastructure, a four percent increase to water rates should occur in January of 2015, and an eight percent increase in July of 2015. The resolution also included an annual eight percent increase each July thereafter. Ms. Amberg noted that in the next three to five years we will be looking to update the Water Master Plan.

Councilor Vincent expressed her concern with the annual adjustments. She would like to see verbiage included that states the resolution will be reviewed every five years. She would also like to see this postponed until December so it can be announced in the Water Bills.

Administrator Amberg asked to amend the proposed Resolution 2014-25 under Section 1 System Development Charges (a) to read:

The hookup charge for ¾ - inch or smaller meter shall be \$380. For larger meters, the charge shall be based on the actual costs of the installation plus 20 percent but in no event, shall it be less than \$380. She explained this will reflect the current charges that we are operating under.

Councilor Romoser moved the City Council make an increase to water rates of four percent on January 1, 2015, an additional increase of four percent on July 1, 2015 and an annual eight percent increase every year beginning July 1, 2016. The motion dies for a lack of a second.

Councilor Vincent moved Ted Romoser seconded that the City Council table item 6 G until the December meeting so an announcement can be made in the water bills in hopes of more citizens attending the meeting. Councilor Pelatt noted the Council has debated this issue many times and he sees no value in tabling this item. The citizens knew we were going to have this discussion tonight and those with concerns did not show up. Councilor Campbell explained she is struggling with this as public education is very important and we do need to raise the water rates. We are not the only city increasing water rates, there are many Cities in Oregon that are and we need the money. Councilor Pelatt explained that Councilor Campbell has done a great job putting together a public relations campaign. The goal is to have this done in a timely fashion for budget preparation by staff. We will be letting the public know exactly what is happening and why. Councilor Bowles said he has been aware of this increase for over a year and a half and has only been on the Council for a few months. He isn't fond of the increase but sees the reasoning behind it and we have provided the time for folks to educate themselves. He understands that most are on fixed incomes, but the public is aware of the increase and there has been multiple meetings with discussion on the rate increase. Voted on and the motion fails with Councilors Vincent and Campbell voting in favor and Councilors Romoser, Pelatt, Bowles, Gifford and Mayor Stram voting in opposition.

Mayor Stram said since he was elected Mayor he has had the opportunity to better understand the water rates and loans. When he was elected to office, the Council felt the rates were too high so a rate study was commissioned to see if there was a way to lower them. The Council was not comfortable with the results provided by FCS Group and asked the City Administrator to explain what process has been used to look at the water rates. Ms. Amberg said they were dismissed prior to completing the contract and the committee was assigned to undertake their own analysis and look at a better modeling of the rates. Ms. Amberg continued that the reason for the increase is due to the lack of raises in our rates in prior years. We as a city have a stewardship responsibility to provide our citizens good water. We need to take care of our system to provide that service to the public. In order to meet our state and federal regulations and debt obligations and to provide the volume of water needed by our community we need to raise the rate. If we do not increase the rates now there will be an extreme increase in the near future. Our expenditures will outpace our revenues and we need to invest in our infrastructure. Mayor Stram said the Public Works and Transportation committee has been working on this for the past year. He has spoken with numerous Mayors in Lane County who are in the same situation. He feels the word has gotten out within the community and this is a vote he is not happy he has to make.

Mayor Stram moved Adam Pelatt seconded that the City Council adopt Resolution 2014-25 as amended (in Section 1 A – Hookup charge of ¾" or smaller meter shall be \$380 and in no event shall the actual costs of installation be less than \$380, A Resolution Rescinding Resolution 2006-30 Establishing Water Service Fees and Water Rates for Users of the Creswell Municipal Water System.

Mayor Stram noted the Council would review and approve the rate increases of water each year during the budget process.

Councilor Romoser noted he has read the rate study three times and has had great recommendations from Ms. Amberg, Mr. Bellew and Ms. Nichols but still has some concerns on various items. The water increase will help develop the reserves for the building of a three million gallon water holding tank in 2023. He is wondering about population growth; Creswell's projected population in the year 2025 is 10,000 and where these folks will be housed and if we do not meet the population projections, do we need to spend the money to build the tank. Ms. Amberg said Mr. Romoser has hit on why we didn't base our projections on the study. The current master plan calls that we build a holding tank (3 million gallon); after reviewing this, it has been determined that maybe that project can be pushed out a little bit. We have currently completed everything in the master plan with the exception of the tank. It is her opinion that the need for the tank should be in the next cycle of the master plan. This project has not been included in the consideration of the rate; the increased rate is based on our actual financials. We need to have the rate increase so we can stay above our expenditures by 2020 when we complete the next water rate study. Councilor Romoser noted that the rate includes progressive eight percent increases and asked if the increases are intended to rebuild the reserves so we can pay 6 million to pay for the water tank. Ms. Amberg noted that it will not generate the six million dollars needed to build the tank in 2023; although we are hoping to have enough money to meet the federal requirement of a fifty one percent match otherwise we will have to take out a commercial loan at a much higher interest rate.

Ms. Amberg noted we will begin working on the Waste Water Master Plan which should take approximately a year and a half at which time we will return with sewer rates. After that is concluded a Storm Water Master Plan will begin.

A discussion ensued regarding the System Development Charges and Ms. Amberg explained how they work to help offset our costs when we have to increase our capacity when our population grows in the future.

Voted on the motion and it carries unanimously.

At 8:59 p.m. Mayor Stram recessed the meeting for a short break.

At 9:06 p.m. Mayor Stram reconvened the meeting.

Approval of updated Community Services Fund Grant Application

Holly Campbell, Chair of the Cultural Committee explained the grant application and process. During the last fiscal year the Council granted approximately \$7,000 in grants to various entities such as the Creswell Food Pantry, Creslane Food4Kids, and the Over 40 Social Club managed by Creswell Library. This year \$20,000 was allocated for in the budget to continue with the community services grant funding. The Cultural committee has worked hard to review and revise the grant process and application.

The process this year has changed so that organizations must apply for grant money. The organizations who receive money will be required to submit a final report with a budget showing expenditures and copies of any publicity the grant may have received. The purpose for these requirements will provide the City a better accounting of the money spent as well as the number of people served. Once the application has been approved we will begin sending out applications to organizations who serve Creswell residents and other potential agencies that may not know about the fund.

A discussion ensued regarding having/not having an application submission and/or report deadline. Ms. Amberg noted this could be an open process for applications but also make folks aware they are not eligible for a second helping until they have completed the reporting process required with their initial request. She explained the key date for the open process is the date the Committee/Council grants the applicant the money. This determines what fiscal year budget the funds come out of.

Councilor Campbell noted she would like to have the grant applications available by August for the next fiscal year. She would also like to have this application very generic so a committee will not have to spend a lot of time revising it every year.

Ms. Campbell reiterated the amendments to be made to the grant application:

- Page 1 – Bold the last paragraph beginning with Organizations may apply more than once in a fiscal year but must first report to the Committee . . .
- Page 2 - Delete application deadline of January 5, 2015

- Page 3 - Timetable – Add a line for report date and add the verbiage: Reports are due at City Hall thirty dates after the end of the project completion date
- Page 3 Delete the line – The funds must be expended by April 20 and a final report submitted . . .
- Page 3 – Delete submission deadline for applications is 5 pm January 5, 2015 at Creswell City Hall

Brent Gifford moved Jane Vincent seconded that the City Council approve the Community Service Fund Grant Application and its Guidelines as amended to help support those non-profit and social service agencies which are assisting our Creswell residents. Voted on and the motion carries unanimously.

Adoption of City Council Priorities for January 1, 2015 through June 30, 2016

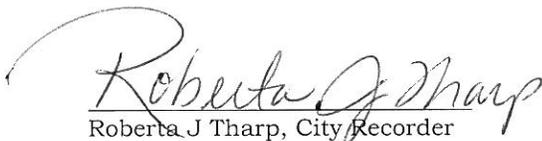
Mayor Stram passed out an amended copy (date correction to read 2016) of the Creswell City Council Priorities for the next 18 months. Mayor Stram read the seven goals aloud:

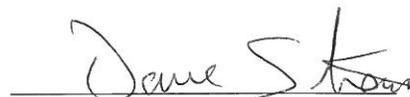
- Complete major policing decisions
- Develop multi-year strategic plan
- Complete multi-year plan to achieve financial stability at the Airport
- Insure staff has appropriate level of support to complete work directed by Council
- Begin development of a multi-year City government financial plan
- Update water rates
- Determine the schedule and allocation of resources to update major city plans

Jane Vincent moved Holly Campbell seconded that the City Council adopt the City Council Priorities for January 1, 2015 through June 30, 2016 as amended. Voted on and the motion carried unanimously.

Adjournment

There being no further business to come before the council, Mayor Stram adjourned the meeting at 9:30 pm.


Roberta J Tharp, City Recorder


Dave Stram, Mayor