



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL
17 BUCHANAN AVE. SOUTH, EAGLE POINT, OREGON

MAY 24, 2016

REGULAR MEETING MINUTES

1. CALL TO ORDER – 7:00 P.M.

Council President Bilden called the meeting to order at 7:00 p.m.

Council Members Present: Jonathan Bilden, Wayne Brown, Bill Fierke, Ruth Jenks, Aaron Prunty, and Kathy Sell.

Council Members Absent: Bob Russell.

Staff Members Present: Henry Lawrence, City Administrator; Joe Kellerman, City Attorney; Robert Miller, Public Works; Vern Thompson, Police Chief; Mike Upston, Planning Director; and Cindy Hughes, City Recorder.

Guests: Suzi Collins, Planning Commissioner; Millie Wewerka, Budget Committee Member and Planning Commissioner; Jerry Zieman, Budget Committee Member; and members of the public and press.

2. FLAG SALUTE AND INVOCATION

Council President Bilden led the Pledge of Allegiance; and Jerry Zieman offered the invocation.

3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA

There were no audience questions or comments.

4. PRESENTATIONS

There were no presentations.

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5. PUBLIC HEARINGS

5.1 Public Hearing in the matter of authorizing an increase of the Transportation Utility Fee (TUF) in the City of Eagle Point (Municipal Code 12.32.020).

Council President Bilden opened the public hearing at 7:01 p.m. and requested Henry Lawrence, City Administrator, to provide a report.

Mr. Lawrence reviewed a map of the City's pavement maintenance program (Submission No. 1) which revealed more than half of the City's pavement repairs had been completed over the last three years. Mr. Lawrence explained that the pavement condition had been in poor condition when he first joined the City. The City embarked on a pavement maintenance program at the end of Mr. Lawrence's first summer in Eagle Point during 2012. The City began with a consultant's report that indicated the condition of all roads. During subsequent summers, the City very successfully worked the plan for road maintenance. With approximately 50% of the roads complete, there are only seven to eight roads left that are at a very poor rating.

While the City has had the luxury of good savings in reserves to complete a substantial amount of work, it estimates another three years of repairs to complete the backlog of road maintenance. Approximately \$1.2M has been spent over the last three years with an estimated \$1M needed to arrest deterioration over the next three years. Essentially, the City cannot continue the present level of pavement management without additional revenues. The proposal is to increase the Transportation Utility Fee (TUF), included in the utility bill, from \$6 to \$7 per month for residential use; and approximately 16.8%, an equivalent percentage rate, for commercial use. Mr. Lawrence noted the City Council had determined at a previous meeting to include commercial use. It was further noted that there had not been a TUF increase since 2009. The estimated revenue from this proposal would be \$52,000 annually to bolster the Street Fund for the Pavement Management Program. While this would not completely cover the needed \$100,000 annual increase in revenues, a proposal for a Franchise Fee through Rogue Valley Sewer Services will be forthcoming and would provide additional revenues.

Mr. Lawrence opened for questions which started with the rates being based on the Institute of Transportation Engineers (ITE) Manual and authorization for the City Administrator to determine appropriate use categories for businesses not included in the proposed Ordinance. A brief discussion followed about streets with poor to very poor ratings.

Council President Bilden asked for public testimony in favor of the proposal and there was no testimony. Next, Council President Bilden asked for public testimony in opposition and the following public comment was received.

Rhonda Jones, a new resident and registered voter in Eagle Point, explained she is an accountant and caregiver, and that she recently moved here from Pueblo West, Colorado "Land of Legal Marijuana". Ms. Jones went on to provide testimony in opposition of the proposal, noting it was similar to putting a band-aid on a very big

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problem. Ms. Jones discussed the senior citizen population base and others on limited incomes. She offered testimony from her previous City's taxation of marijuana which resulted in an increase of 10 fold. Ms. Jones pleaded with the Council to reconsider.

William Strulie, also new to the community, expressed Eagle Point is a gem and asked the Council to keep it that way and keep drugs out of the community. Mr. Strulie inquired about paving costs and taking advantage of paving while oil costs are down. Robert Miller, Public Works Director, responded about the City's strategies, budgeting, and weather limitations. Mr. Strulie suggested bidding for all projects at one time when oil prices are low or creating the City's own crews to perform roadwork at a lesser cost.

There being no further testimony, questions or final comments, Council President Bilden closed the Public Hearing at 7:24 p.m.

Next, Council President Bilden reported the proposed Ordinance No. 2016-05 was scheduled later in the Agenda as Item No. 10.1 under the "New Business" section of the Agenda. Further, there being no objection to changing the order of business, Council President Bilden asked to discuss and deliberate the proposed Ordinance No. 2016-05. Councilor Sell noted she was not at the last meeting where the Council had determined to consider including businesses; however, she was not in favor and mentioned SDC reductions to attract businesses on the same agenda. Councilor Sell discussed being in business, detrimental costs to small businesses, and did not want to keep piling those costs up.

Council President Bilden asked for a motion to adopt Ordinance No. 2016-05. Councilor Prunty made a motion to adopt Ordinance No. 2016-05 and Councilor Brown seconded the motion. Councilor Fierke inquired about budget projections; and staff responded that the City budgeted for 30 building permits for single family homes, but it is currently at 47, and may go to 55 or 60. 50 building permits for homes are budgeted for fiscal year 2016-2017. Discussion ensued about infrastructure cost and maintenance costs, and the availability of SDCs for expansion. There was no further discussion. Roll call: Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Aaron Prunty, aye; Jonathan Bilden, aye; Kathy Sell, nay; and Bob Russell, absent. The motion passed with five ayes and one nay.

5.2 Public Hearing in the matter of authorizing an increase of the Water Base Rate and Water Consumption Rates.

Council President Bilden opened the public hearing at 7:31 p.m. and requested Henry Lawrence, City Administrator, to provide a report.

Mr. Lawrence began by saying these are not easy things to ask for as the City is aware of the senior population and others, and realizes the dollars add up. Similar to the same situation with roads, Mr. Lawrence explained there were water issues with leaky tanks and the water system which required repairs and improvements to make sure it is running at a reasonable level. A new Water Master Plan, covering a 20

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year period, was the first step to make projections and help prevent surprises. Essentially, expansion to cover growth should be paid for by growth. Existing development has already paid, but rate payers are currently subsidizing more than they normally would have in a robust economy.

Mr. Lawrence also discussed the groundbreaking for the 1.6 MG water tank to meet current and future demands with growth. Additionally, with the adoption of the Water Master Plan, annual increases of 4% have been anticipated for 10 years with this being the fourth year. Mr. Lawrence encouraged continuing with a 4% increase and staying with the plan despite of its hardships. Final costs for the water improvements will be known toward the end of the year. Mr. Lawrence reported the proposed base rate for residents is \$16.61; however the consumption increases were inaccurately listed. The correct consumption increases are: average customers using 9,000 gallons or less, the first tier increase is \$2.26; 2nd tier users \$2.82; 3rd tier at \$3.38; and the 4th tier using 30,000 plus gallons at \$3.95. Mr. Lawrence discussed alternatives for the Council such as subsidizing the Water Fund to keep rates down. However, at the current projected 4% increases, it is anticipated that the Water Fund will have a positive balance for fiscal year 2017-2018. The City has also made other efforts such as paying off prior loans through reserves to save money. A brief discussion followed about options to put more or less of the increase on higher water consumers.

Council President Bilden invited audience comments in favor or opposition of the proposal; however, there was no testimony. There being no testimony or comments, Council President Bilden closed the Public Hearing at 7:48 p.m.

Next, Council President Bilden reported the proposed Ordinance No. 2016-06 was scheduled later in the Agenda as Item No. 10.2 under the "New Business" section of the Agenda. Further, there being no objections to changing the order of business, Council President Bilden asked to discuss and deliberate the proposed Ordinance. Councilor Sell expressed concern about members of the community on fixed incomes, and said she would reduce rates if she could have it her way. Councilor Fierke also expressed that he did not like to increase rates. Discussion ensued about System Development Charges (SDCs) and restrictions of use. In addition, Attorney Kellerman pointed out that the City absorbed a lot of the Medford Water Commission rate increases without passing them on to customers and went from 2003 to 2013 without water rate increases other than pass through increases. There was also discussion about paying off the old loans which benefited the City and helped to stabilize the Water Fund.

Attorney Kellerman discussed two components of SDCs: improvement and reimbursement. If a capital improvement was already constructed to expand Eagle Point's capacity, some of the SDC component could be used but could not be used for ongoing maintenance. Mr. Lawrence added that at one time a projection was made to use 75% of the debt service payment by SDCs and 25% would be from operating. However, with the crash in the economy, SDCs were not available. New development is paying about \$3,300 or \$3,400 with a fee for debt service or expansion.

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Last, Councilor Jenks inquired about what would happen if the Ordinance was not passed. Staff responded that the City would have to rework the numbers and possibly rethink its relationship with the USDA as these numbers were submitted to the USDA. It could also cause delay of the project for several weeks if not longer.

Council President Bilden asked for a motion to adopt Ordinance No. 2016-06, with the amended rate. Councilor Jenks made a motion to adopt Ordinance No. 2016-06, an Ordinance in the matter of increasing the Water Base Rate and Water Consumption Rates, as amended with the first tier at \$2.26; second tier \$2.82; third tier \$3.38; fourth tier \$3.95; and repealing Ordinance No. 2015-03. Councilor Fierke seconded the motion. There was no discussion. Roll call: Bill Fierke, aye; Ruth Jenks, aye; Aaron Prunty, aye; Kathy Sell, aye; Jonathan Bilden, aye; Wayne Brown, aye; and Bob Russell, absent. The motion passed unanimously by those present.

6. CONSENT CALENDAR

6.1 Presentation of Regular Meeting Minutes of May 24, 2016.

Council President Bilden announced the Consent Calendar, and Cindy Hughes, City Recorder, reported a revision to the Minutes to remove the second closing statement in the Public Hearing regarding Transportation Utility Fees, as it was closed at 7:24 p.m., not 7:28 p.m.

Councilor Sell moved to approve the Consent Calendar as revised and Councilor Fierke seconded the motion. There was no discussion. Roll call: Kathy Sell, aye; Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Aaron Prunty, aye; and Bob Russell, absent. The motion passed unanimously by those present.

7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items considered for removal from the Consent Calendar.

8. PRESENTATION OF BILLS TO BE PAID

Council President Bilden asked if there were questions about the bills to be paid. There being none, Councilor Jenks moved to approve the Bills to be Paid including the Additional Bills List in the amount of \$18,649.77 (Submission No. 2). Councilor Prunty seconded the motion. Councilor Sell inquired about the frequency of water testing. Robert Miller, Public Works Director, responded that testing is performed monthly with prices varying based on subdivision numbers. There was no further discussion. Roll call: Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; Ruth Jenks, aye; Aaron Prunty, aye; Kathy Sell, aye; and Bob Russell, absent. The motion passed unanimously by those present.

9. OLD BUSINESS

There was no Old Business to report.

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10. NEW BUSINESS

- 10.1 Ordinance No. 2016-05. An Ordinance authorizing an increase of the Transportation Utility Fee (TUF) in the City of Eagle Point (Municipal Code 12.32.020).

Deliberated under Item No. 5.1.

- 10.2 Ordinance No. 2016-06. An Ordinance in the matter of increasing the Water Base Rate and Water Consumption Rates, and repealing Ordinance No. 2015-03.

Deliberated under Item No. 5.2.

- 10.3 Resolution No. 2016-24. A Resolution establishing a Downtown Façade Improvement Grant Program, proposed by the Eagle Point Economic Development Commission.

Mike Upston, Planning Director, reported that toward the beginning of the year, the City received a citizen suggestion about a Downtown Façade Improvement Grant Program. The Economic Development Commission evaluated the suggestion under Action Item 5.D and voted to recommend establishing a \$20,000 annual program with grant disbursements of up to 50% of the project cost, not to exceed \$5,000 per project in the Old Town District (Submission No. 3). Applications would be submitted to City Staff, and payment would only be made after project completion.

Numerous discussion points were made including: the Planning Commission making determinations on projects; legal counsel determining there were no legal issues with offering the program to a small area; and budgeting each year depending on whether the Budget Committee determines to fund. Additional discussion ensued about promoting and reaching out to support the business community. The area included is brick colored on the Old Town District map shown on the above referenced Submission No. 3, also included in the Agenda Packet. Homes in the area would not qualify unless they were converted to business use. There was additional discussion about the program only being available for business facades and not residences in commercial areas.

Council President Bilden asked for a motion to approve Resolution No. 2016-24. Councilor Fierke motioned to approve Resolution No. 2016-24, a Resolution establishing a Downtown Business Façade Improvement Grant Program, amended to have the Planning Commission as the authority for the review, and only business structures apply. Councilor Jenks seconded the motion and there was no discussion. Roll call: Ruth Jenks, aye; Aaron Prunty, aye; Kathy Sell, aye; Jonathan Bilden, aye; Wayne Brown, aye; Bill Fierke, aye; and Bob Russell, absent. The motion passed unanimously by those present.

- 10.4 City Council discussion regarding a temporary reduction in System Development Charges for commercial development, proposed by the Economic Development Commission.

Mike Upston, Planning Director, explained this item is complicated but no immediate action was needed. Commissioner Wetzell, a fairly new Economic

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Development Commissioner, proposed a 70% temporary reduction in System Development Charges (SDCs) as shown in the related Agenda Packet. Mr. Upston reviewed the following points for consideration:

- SDCs are a one-time fee;
- Methodology not about the type of development;
- Rates are based on 20 year projections but are looked at often; and
- Being competitive and offering incentives that make sense.

Discussion ensued about various aspects related to SDCs and the proposal which will be considered during the SDC study planned to begin in July. There were positive comments about Commissioner Wetzel's presentation and the amount of effort involved. However, there were reservations about some of the comparisons. Tiered rates for development and revitalization of downtown were also discussed.

11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

Councilor Brown reported on a good meeting with Rogue Valley Sewer Services. One future mandate will be about runoff water from homes, and there was discussion about Shady Cove's sewer.

Councilor Sell reported there had not been a Planning Commission meeting; however, she made a personal announcement as she is now a mother-in-law and excited to have a daughter.

Councilor Prunty reported on the recent Parks and Recreation Commission meeting and the selection of colors and equipment for the Splash Pad. The Commission also discussed goals and priorities.

Councilor Jenks reported on the Super ACT (Area Commission on Transportation) meeting in Roseburg. Presentations were made for Federal funding of approximately \$4.5M including two shipyard projects, railroad project, RVTD (Rogue Valley Transportation District) project, Grants Pass airport emergency generator, Medford airport runway improvement, beach recreational path, Brookings airport project, and Medford pedestrian bridge. The two shipyard projects could be placed in a separate State-wide category for funding which would allow the remaining projects to compete for the Federal funding.

Councilor Fierke reported on the School District 9 Budget Committee passing its budget for approval at the next board meeting. A presentation was also made for the Oregon Rising Project to receive input as to what schools should look like. There was opposition and support for the project. With regard to the Showa Japan student visit program, Terrie Rennick is back on board and it looks like it is on track.

Council President Bilden reported the Economic Development Commission is scheduled to meet in two weeks and expressed appreciation for the Council taking up its' issues. A possible joint meeting with the Council may be held in the fall. In regard to the Governor's Regional Solutions, they are regrouping and indentifying goals. Southern Oregon Regional Economic Development Inc. (SOREDI) has a new Executive Director, Colleen Padilla.

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Additionally, Council President Bilden expressed appreciation for all of the people assisting in the Blue Star Memorial dedication, and Memorial Day services.

12. STAFF REPORTS

Mike Upston, Planning Director, announced the upcoming Economic Development Commission meeting, and a public hearing at the next Planning Commission meeting regarding a proposed lodging development at the golf course. Another Planning Commission meeting will possibly be held in July or August to consider a Bob Hyer housing development on South Shasta Avenue, on the golf course side near the 14th hole. In addition, building permits are still coming in many areas of the City but more in particular at Sienna Hills and the golf course area.

Robert Miller, Public Works Director, reported groundbreaking on the Lucas Park Restroom Project, Splash Pad Project, and Sienna Hills Phase 6 just started. The USDA Notice of Award is in progress, and action will begin soon. The Lucas Park Playground is being finalized, negotiations are in progress with OBEC Consulting Engineers on Stevens Road, and the City and State are considering the City's administration of the Linn Road Project.

Vern Thompson, Chief of Police, reported on a humorous complaint, weed abatement, and enforcement at Centennial Plaza.

Henry Lawrence, City Administrator, announced the Budget Committee meeting on June 2nd in the Council Chambers.

There were no other Staff reports.

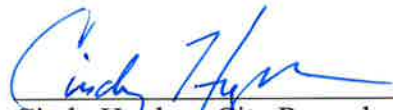
13. INFORMATION

There were no Information items.

15. ADJOURN

There being no further business, Council President Bilden closed the meeting at 8:51 p.m.

Respectfully submitted,


Cindy Hughes, City Recorder

ATTEST:


Robert E. Russell, Mayor