

**TOLEDO CITY COUNCIL
WORK SESSION**

January 10, 2012

Council President (CP) Ralph Grutzmacher called the Toledo City Council work session to order at 6:15pm. Councilors present: Nancy Lynne, Jill Lyon, Jack Dunaway, and Mark Camara. Councilors Excused: Franki Trujillo-Dalbey.

Staff present: City Manager (CM) Michelle Amberg, Library Director (LD) Peter Rayment, City Attorney (CA) Wes Chadwick, Public Works Director (PWD) Adam Denlinger, Police Chief (PC) Dave Enyeart, Finance Director (FD) Polly Chavarria, and City Recorder Nancy Bryant.

Visitors Present: Garrett Palo, Don Amberg, Teresa Denlinger, Sandy Blackman, Allen Stewart, Terri Strom, Alan Searle, Michele Johnson, Bill Dalbey and Megan Miller Morgan.

Discussion and Information Items

Coastal Resource Sharing Network Update

LD Rayment provided Council with an update on the demise of the Coastal Resource Sharing Network (CRSN). He explained the costs for belonging to CRSN have escalated which generated interest in looking at other options. Tillamook County, City of Lincoln City and Newport have decided to develop their own automated system. The Lincoln County Library District advertised an RFP for a sharing network. The Library Board made a decision to contract with ByWater Solutions which manages the open source Koha system. Staff will be recommending that the Toledo Library join the Lincoln County Library District in their effort to provide material sharing service through ByWater Solutions. The cost to the City will be approximately \$15,000 in the next fiscal year compared to the \$20,000 expended this fiscal year. After the initial set up during the first year with ByWater Solutions the City's cost should drop to approximately \$5,500 per year.

Water Rate Study Update

Garrett Palo of Civil West Engineering provided Council with an update on a draft water rate study prepared for the City of Toledo. The presentation provided the following:

- Description of the approach and method taken for the rate study- The rate study analysis considers the financial requirements of the City for operation and maintenance of the water system. It also considers the financial requirements that will occur when the City undertakes the planned CIP (Capital Improvement Plan) projects.
- Review of the current water budget and recent performance- A review of the budget/audit history for the past several years indicates a water system budget that is "just getting by" and inadequate for planned projects.
- Review of the CIP and the plan for funding the improvements- The City has been working on a funding alternative that would utilize a bond sale through a program provided via WedBush called LOCAP (Local Oregon Capital Assets Program).

- Discussion regarding the estimated revenues that will be required from both Seal Rock and Toledo- The total estimated share of the project costs for Toledo is around \$5.65-million dollars to complete phases 1 and 2 of the CIP. This loan amount necessitates a bond sale of around \$6.3-million dollars to cover debt service, fees, and other costs.
- Discussion regarding the rate structure alternatives and recommendations- The new rate must be a combination of a base rate and a consumption rate. The rate study includes a recommendation to increase rates approximately \$16 per EDU (Equivalent Dwelling Unit) per month.
- Discussion regarding how proposed rates will compare with other water systems in the area and/or across the state. A chart was presented with water rate comparisons of other local, coastal and general communities in Oregon.

Mr. Palo estimated the draft Water Rate Study to be in final form in time for the City's LOCAP loan application. He also noted that the Seal Rock Water District has committed support to phase 1 of the capital improvement plan; they recently passed a general obligation bond for their financial share of the project.

Potential Contract with the City of Newport for Dispatch Services

PC Enyeart reported that the police department has determined what will be needed if it were to contract out dispatch services to Newport and or other agencies. The City has not received formal proposals or requests from outside agencies for these services to date. Councilor Dunaway questioned whether Toledo dispatch should be contracted through Willamette Valley Communication Center. PC Enyeart noted that idea has been an option the City has considered in the past but it was not cost effective for Toledo to make that change.

City Mayor Vacancy

CP Grutzmacher noted that a citizen has requested public comment regarding the City mayor vacancy.

Sandy Blackman of Toledo stated that she would like to be a part of the discussion regarding the vacancy for Mayor. She asked that Council consider public comment when they discuss which process they will use for the replacement.

Bill Dalbey of Toledo said he advocates opening the vacancy up to citizen applications.

CP Grutzmacher noted that Councilor Trujillo-Dalbey made a request to defer the topic to the next regular Council session.

By consensus, council chose to add the mayor vacancy to the Jan 18th regular session as a discussion item.

Review Central Lincoln PUD Franchise Receipts

CM Amberg reported that last year, as part of the budget cycle, the recommendation from the Budget Committee was to increase the electrical franchise fee to four and one-quarter percent (4.25%) effective July 1, 2011, and split the revenue 60% to General Fund and 40% to Street Fund. The Public Utility Commission (PUC) made the recommendation that if revenues exceed projections by \$50,000, the Public Utilities Commission be reconvened to take another look at the franchise fee. The FY 2011/12 projected revenue was \$867,000 (estimated) equal to \$72,250 per

month average. The City received from July through December 2011 an actual amount of \$413,139.36 equal to \$68,856.56 per month. The monthly average for 2011 equals \$64,359.39. There was no further discussion on this item.

Industrial Lands Project Update

CM Amberg provided research completed by Allen Stewart and Stuart Cowie regarding the subject of performance-based code criteria as well as an example from the City of Portland planning and zoning Ordinance for off-site impacts.

Councilor Camara said he believes the Planning Commission has completed its portion of the process and it is now up to Council to make a final decision.

CP Grutzmacher stated the City of Portland example provided in the handout is another way to look at it. The performance-based criteria can apply, but it won't hold up the process in the industrial lands zoning.

Councilor Lyon said she would like to see something like this implemented so that it does apply as an enforcement measure even to outright uses. Her concern is, with an outright permitted use, there would be no review of standards. Without defined standards for noise, etc at the time of permitting, the City does not have any means of controlling adverse impacts.

CP Grutzmacher noted he would like to visit this issue again but the City should move forward with the industrial lands ordinance.

CA Chadwick noted a new section can be added within the zoning code to address adverse impacts.

By consensus Council determined it would like to move forward with the Industrial Land Zoning Ordinance.

Utility Billing Charges to Non-Profit Organizations

CM Amberg reported that the Toledo Chamber of Commerce and the Toledo Active Group do not pay utility fees but all other non-profit entities in the community do pay utility fees. Staff recommends charging these organizations for utility services.

By consensus Council determined that all non-profit entities within the City should pay for utility services.

Additional Council Discussion Items:

Councilor Dunaway said he wants to discuss what is happening with Lincom and the potential for Toledo providing dispatch services to Newport. He believes it would be appropriate for Toledo to look at contracting with Willamette Valley Communication Center (WVCC) for dispatch services. PC Enyeart stated, staff looked at that option a few years ago but it was not found to be cost-effective nor to the City's advantage. CP Grutzmacher stated he would like to know what it would cost to contract with WVCC and what the station costs would be if the City does away with local dispatch. Council and staff discussed the pros and cons of contracting for dispatch services.

Councilor Camara inquired about the status of the Municipal Judge contract review. Councilor Lyon said Councilor Trujillo-Dalbey is the chair of the committee handling that review. CP Grutzmacher said Council will need to discuss it with Councilor Trujillo-Dalbey before moving forward.

Councilor Lyon reminded Council that members are invited to a meeting with Senator Merkley at 4:30pm tomorrow at the Fire Station. She said this is a good opportunity for elected officials to ask questions regarding rural measures. She also congratulated Chief Enyeart on the receipt of his second star as an Army reserve officer.

City Manager Comments

- There are two Toledo High School students that have been chosen to ask questions of Senator Merkley during his visit tomorrow.
- There has been a request to review the Senior Dispatch position salary.
- The Police Department will be bringing forward a request to purchase a command vehicle.
- The performance evaluation of the City Attorney is due in March.


By consensus Council determined that it will review the previously used form for the City Attorney performance evaluation at the work session in February.

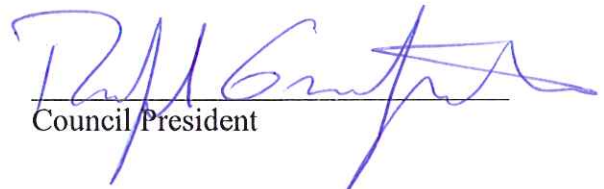
Adjournment:

CP Grutzmacher adjourned the meeting at 8:05pm.

ATTEST:

APPROVE:


City Recorder


Council President