

TOLEDO CITY COUNCIL WORK SESSION
May 27, 2009

The council work session began at 6:15 pm. Council Present: Monica Lyons, Nancy Lynne, Mary Young, Mark Camara, Wes Chadwick, Mayor Rod Cross and Council President (CP) Bob Emmett.

Staff Present: City Manager (CM) Michelle Amberg, Public Works Director (PWD) Adam Denlinger, Finance Director (FD) Polly Chavarria and Assistant City Recorder Nancy Bryant.

Visitors: Don Amberg, Teresa Denlinger, Angelo Stephenson and Nick Dahl.

Discussion and Information Items

Solid Waste District

CM Amberg explained that the Lincoln County Solid Waste District was created when the state mandated certain recycling goals. Its mission was to complete the research and provide the services and structure to meet those mandated recycling goals. The current proposed budget for this district is roughly \$300,000. She has concerns about the amount of their budget request and wonders if the amount of service they provide warrants such a budget. She has discussed this issue with Nick Dahl of Dahl Disposal Services and she believes it is time to withdraw from the Lincoln County Solid Waste District to work directly with Toledo's franchised waste hauler to provide the services in the future.

Nick Dahl of Dahl Disposal stated that the state recycling rate requirement for Lincoln County is at 19%. Last year Lincoln County hit 34% with very proactive haulers in the recycling market. Last year Toledo's portion of the franchise total was \$6,279 from the garbage rates. That amount is based off of \$4 per ton collected and goes to the Solid Waste District. While the Director of the Solid Waste District coordinates special events, Lincoln County franchise haulers have been providing the recycling and some of the same special waste events in their cities for the past several years on a daily basis. They would like to reduce the fee that goes to the Solid Waste District and apply those funds to the recycling services within the community. They are discussing hiring a recycling coordinator within their company and setting up green schools within the community.

CM Amberg noted that \$100,000 of the Solid Waste Districts budget goes to a forest clean up project; a worthwhile project. Approximately \$100,000 of the remaining \$200,000 budget funds is in personnel. She questions the value of services Toledo receives from the district.

CM Amberg stated staff will present a request to withdraw from the Lincoln County Solid Waste District to Council at the June 3rd meeting. The document will provide for all of the cities to sign and withdraw at the same time. The original agreement provides for withdrawal with a 30 day notice.

Dahl noted that the official withdrawal will need to be done by a vote of the Solid Waste Advisory Committee (SWAC). He believes it will be beneficial to show support from all of the Cities seeking to withdraw when presenting to SWAC.

Mayor Cross noted his concern that the County could ask the City to increase its portion of fees paid for the Sheriff Deputy program.

By consensus Council agreed to include the request for withdrawal from the Lincoln County Solid Waste District on the June 3rd agenda.

Port of Toledo Former Public Safety Building Presentation

Bud Shoemake, Port of Toledo Manager announced that the Port of Toledo will be building a youth club boat house on a float system that is currently tied at the boat launch. He has been working with Jack Brown of Depoe Bay who has established a Youth Rowing Club in that area. Brown's program has been very successful and could be an asset to Toledo's youth as well. He said the club house will be a wonderful addition to our water front.

The Port of Toledo is also considering the purchase of the Old Fire Station to use as an economic incubator. They frequently turn away businesses that are looking for space because they don't have room for them at the current Port facilities. He has met with PWD Denlinger and CM Amberg as well as the National Guard regarding the structure and removal of the administration portion of the building. He believes that they can secure grant funds to adapt the remaining portion of the building and the Port would be willing to make it an investment with some partnership with the city.

Mayor Cross stated that he would be interested in a partnership with the Port if the numbers penciled out. He said council needs to make a final decision of disposition for the property and they will have the offer from the Klinkhammers to consider as well. He would like council to make a decision regarding disposition of the building by the end of this fiscal year.

Councilor Camara noted that council would like to be rid of the property. Who ever purchases the property needs to take care of it. He asked what the Port's time line would be for rehabbing the building.

PWD Denlinger stated that they met with the National Guard at the site today and there are a few logistical issues to overcome. They are scheduling an exercise on the building tentatively set for the weekend of July 12th. At that time they will remove the administration portion of the building for the City. He will meet with Dahl Disposal regarding containment and segregation of the material. One of the positive pieces of information received from the Ports structural person is that he feels that the wall that connects the administration portion of the building to the bays can support itself if disconnected properly. Also there is an option of building an internal wall for additional support for that end of the building which would eliminate having to place supports down into the bedrock.

Shoemake said, with an agreement with the City, they would do the structural, engineering and the architectural work now in an estimated time frame of one week. They would immediately secure the wall, repair the electrical system and complete other improvements as necessary. The building will also need to be retrofitted for earth quake protection to meet code requirements. He does not perceive that as a difficult project.

Councilor Young noted her concern that council does not want any obligation with this building. She said either someone is going to take it and fix it or we tear it down and sell it. There is no money in the City budget to use on this building.

Shoemake stated that the Port is willing to make an offer. He suggested meeting with Council and Port Commissioners to negotiate a plan.

Councilor Camara noted that if the community can get some use out of the property then that is a good thing. He said there are two benefits to the public from this, one is extracting as much cash out of the property as possible and the other thing is long term service to the community.

Mayor Cross stated that he would like to pursue the Port's offer but will need enough information to compare it to the other offer that will be coming forth.

Mayor Cross, Councilor Camara and CM Amberg agreed to meet with Bud Shoemake and the Port Commissioners to discuss what the Port of Toledo is offering.

Utility Bill Uncollectible

Finance Director Polly Chavarria presented Council with a list of uncollectable utility bills dated June 3, 2009. She said the total amount listed is less than one tenth of one percentage of the amount billed during the 12 year accrual. Staff is recommending a write off of the current list in the amount of \$17,843.

In answer to council questions FD Chavarria stated the following:

- When a customer closes an account staff immediately notifies the owner of record that there is a potential lien against the property until that account is paid in full. Identifying the current property owner at the time the customer closes their account is difficult because of restricted staff time.
- A master list is available for staff to check the names of new customers against the uncollected. There are other uncollected final billings that are not included on the list because it is anticipated that those customers may return for service.
- The previous City Attorney Jim Ruggeri negotiated an agreement with the local escrow companies to allow a final billing lock down at 30 days. Even at 30 days the estimated final bill amount could be incorrect and much less than owed.
- It is a current policy to charge an additional \$20 deposit to a customer who returns for service but has an unpaid previous bill.
- The reason for writing off the uncollectable debt is basically a housekeeping measure. The listed accounts are old and it is anticipated that they will never be collected.

Mayor Cross noted his concern for new property owners who may get a water bill that is actually from the water usage of the previous owner. He asked if state legislation could be done to force the escrow companies to list the actual final water bills on title searches.

FD Chavarria noted that language could be added to the resolution stating that customers who have been assigned to uncollectable debt will be charged a double deposit when applying for new service.

Councilor Camara commented that the list is made up of a lot of small amounts that may not be worth the staff time to continue collection efforts.

Mayor Cross called for a brief break at 7:22pm. Council returned to regular session at 7:36pm.

Liquid Assets DVD

PWD Denlinger provided Council with a viewing of the video titled “The Story of our Water Infrastructure Liquid Assets” produced by WPSU Penn State Public Broadcasting. He stated this documentary chronicles many cities similar to ours and who are struggling with aging infrastructure.

After viewing the video, Council and Staff discussed new technologies for repairing aging infrastructures as well as funding needed to meet the needs of Toledo’s system. PWD Denlinger said Toledo has made the right first step by beginning the Water Master Plan. It will provide guidance on what capital improvements projects need to be completed first. It will also provide information on funding the projects. Phasing in rate increases seems to be the most palatable way for agencies to meet the funding needs. As soon as the Water Master Plan is complete we will be looking at the Wastewater infrastructure. Toledo needs to get to a point where we can set aside funds to meet the needs of our system.

In answer to Council questions PWD Denlinger stated the following:

- The city can expect a consent decree by the end of the year. He does not expect the sanitation overflow regulation to be written to our NPDS permit. The EPA is pushing the consent decrees for agencies especially in Oregon where DEQ has not been as forceful as other agencies in other states.
- Toledo applied for the stimulus grant through rural development which has been denied. The requested amount was 1.3 million dollars, which may have covered 75% of Toledo’s I & I issues. Toledo has a good economic base for an agency of this size but our rates are significantly lower than what they should be. He estimated the rate should be more like \$47 per month for sewer. From the viewpoint of a lender, they want to know that your rates are going to allow you to pay back the funding.
- Our water and sewer facilities were both developed by grants and or loans. Those were one time dollars without much foresight as to how to maintain the system and extend its useful life.
- Toledo has some cross connection issues but the real problems are I & I, pipe that need replacement as well as pipes in low tidal areas.

Mayor Cross called for a brief recess at 9:18pm. Council resumed the regular meeting at 9:24.

Review City Council Agenda of June 3, 2009

Council and staff reviewed the June 3rd agenda and added a proposed motion regarding continued membership in the Lincoln County Solid Waste District as well as a quilt donation by Councilor Lyons.

Other Discussion

Councilor Camara requested Council discussion regarding the Toledo Development Association’s (TDA) relationship with the City of Toledo. Toledo has been included in the Oregon Main Street Program. TDA is the natural group to be asked to manage the program; however the members of TDA personally fund the overhead expenses. He asked if Council

thought that the City should provide financial support to TDA for its function in the Main Street Program. He said the group charges themselves dues but they do not have a base budget or revenue. He said it could be a small amount request.

Councilor Young recommend asking for an exact amount before council review of the issue.

CM Amberg advised looking for another funding source. She said the City doesn't have a funding source right now that could support a new program.

Councilor Chadwick stated that a request for funding should include the amount requested and how the funds are expended.

Mayor Cross stated he would support funding a specific project or program unless TDA can show a real need where the city can help in an overall sense.

Councilor Camara noted that TDA could ask for approximately \$200.00 to help with copy costs etc. They will also work with the Economic Development Committee as part of the Oregon Main Street Program is to develop an economic development plan.

CM Amberg noted the city took on the Oregon Main Street Program as a responsibility. Celeste Mathews was appointed but was not given additional hours to act as program manager. She cautioned council against providing ongoing funding to a new program from the General Fund. She suggested TDA make an application next year to the contribution committee. Also, the city could partner with TDA to request funds from the Siletz Tribal Contribution Grant Fund. There may be ways the city can help without using funds from the General Fund.

Councilor Lyons announced that the quilt titled "Toledo Oregon Forged from Nature" will be a donation to the City with the expectation that it can be included as an exhibit at the State Fair then returned to the City.

Mayor Cross called for a brief recess at 9:39pm and announced an executive session will follow.

The Council meeting resumed at 9:40pm and Mayor Cross called for an executive Session according to ORS 192.660 (2) concerning: (i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

Executive Session

Council reviewed the cumulative evaluations from Council and Staff regarding the work performance of the City Manager.

Adjournment

The meeting adjourned at 10:08pm.

ATTEST:

Assistant City Recorder

APPROVE:

Mayor