



## MINUTES

### Coburg City Council Retreat

February 22, 2025 at 9:00 AM

Coburg City Hall

91136 N Willamette Street

**MEMBERS PRESENT:** Nancy Bell, Cathy Engebretson, Claire Smith, Alan Wells (via ZOOM), John Lehmann, Jaymason Bouwman, Donnie Myers

**MEMBERS ABSENT:** none

**GUESTS/STAFF PRESENT:** Adam Hanks, City Administrator; Sammy Egbert, City Recorder

**RECORDED BY:** Madison Balcom, Administrative Assistant

#### CALL TO ORDER

Mayor Bell called the City Council Retreat to order at 9:00am.

#### ROLL CALL

City Recorder, Sammy Egbert called roll. A quorum was present.

#### CITY COUNCIL RETREAT

##### 1. Retreat Schedule

Hanks presented a brief overview of the planned layout of the agenda for the day and detailed the contents of the retreat packet materials.

##### 2. Welcome Letter from Mayor

Mayor Bell welcomed everyone and referred to the welcome letter in the retreat packet and noted that the year ahead will have its share of challenges, primarily financial, but that she felt encouraged by the Council's positivity and collaborative attitude and reiterated her gratitude for every Councilor's commitment to their role and their dedication to making Coburg a special community.

##### 3. S and P Rating Report

Hanks directed Council to the Retreat Packet materials for the S & P Ratings Report and briefly described the results of the recently completed review that reduced the overall debt rating of the City of Coburg to an A- from an A+, a two level ratings drop. Hanks noted that the national criteria had changed in September of 2024, which put the City on a list for a re-review with the

new criteria. One level rating drop was due primarily to the small size of the organization and its budget, which is no fault of the City. The second rating drop was due to the fund balance of the general fund (7% of revenue). Hanks noted that the low fund balance was presented to Council as part of the Utility Rate Adjustment Council deliberations in December of 2024 and was also discussed in each of the past two budget adoption cycles. Hanks referred to the Council Framework document and the objective of updating the financial policies of the City, which includes the setting of ending fund balance targets for the City to budget to over a period of two to three budget cycles to return to acceptable fund balance levels within the General Fund and noted that somewhere between 15% and 20% would be a likely target for the General Fund and that each fund would likely have its own specific fund balance target based on the revenues, capital needs, cash flows and debt service within each fund.

Councilor Lehmann requested additional information on the rating system and where Coburg ranks among similarly sized cities in Oregon. Hanks agreed to research and return that information to Council in a future meeting.

#### **4. December Financials**

Hanks mentioned that the December financials make up the starting point for the proposed budget and are contained in the Retreat Packet for reference only as they have previously been presented to Council at the February Council meeting. Council noted the fund balance levels for each of the four operating funds and agreed that fund balance targets are important to establish.

#### **5. Capital Improvement Plan**

Similar to the Financials, the CIP was included in the packet for reference and to provide context to the discussion of the overall financial condition of the City and the long term debt the City currently carries. Hanks noted that nearly all of the projects identified for completion in the upcoming two fiscal years are funded with either grants or loans and projects beyond that time horizon do not yet have funding identified and may need to be reassigned to future years depending on funding availability.

#### **6. Long Term Debt**

Hanks highlighted several pages included in the retreat packet from the recently approved FY24 audit that summarize long-term debt noting that this is the only financial document that fully displays all of the elements of the City's debt.

#### **7. Council Rules**

Hanks noted that the draft Council Rules have been provided to Council in two prior Council meetings and are included in the retreat packet in case additional discussion was desired. Otherwise, the prior suggestions have been included and staff will finish the final edits and present the Council Rules in resolution approval format at the March meeting. Council felt generally pleased with the document and appreciated the work done by all to this point.

#### **8. Council Framework**

Hanks presented the 2024 Council Framework document and described the edits made for retreat discussion purposes noting that a section was added for FY25 Actions taken with summary action bullets, a section was added for FY26 Planned Actions, a grade was given for

each objective based on the progress and a priority level (one to three, one being the highest priority) given to each objective to assist in Council dialogue to help shape the 2025-26 Framework document that will be presented with retreat infused amendments at the March Council Meeting. Hanks and Council spent over an hour reviewing each objective, understanding the progress made, the next steps necessary to move forward and provided input to staff on the priority level of each objective.

In addition to the presentation and discussion of the items listed above, Council participated in a long-range thinking exercise and was asked to comment on issues, concerns and opportunities for Coburg between now and 2025 (ten years). Council discussion focused on the (in)ability to provide housing options for both young and aging community members, upcoming challenges for economic development opportunities given the size of the community, the economic challenges of maintaining and expanding infrastructure to serve the existing community and future growth needs and had a lengthy discussion on the value and funding challenges of the Coburg Police Department. Council agreed that the next steps in the funding discussion relate to the upcoming general fund revenue options recommendations from the Council Revenue Sub-committee to be presented at the March Council meeting and furthermore recognized that additional funding conversations and options will need to be developed in the months and years beyond the immediate funding needs to be deliberated on in the March meeting.

**ADJOURNMENT**

Mayor Bell adjourned the meeting at 3:20 pm.

**APPROVED** by the City Council of the City of Coburg on this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Nancy Bell, Mayor of Coburg

**ATTEST:** \_\_\_\_\_  
Sammy L. Egbert, City Recorder