



## **Coburg City Council**

February 9, 2021

Coburg City Hall – ZOOM meeting  
91069 North Willamette St., Coburg, Oregon

**COUNCILORS PRESENT:** Ray Smith, Mayor; Nancy Bell, Council President; Mark Alexander; John Lehmann; Kyle Blain; John Fox; Patricia McConnell, Councilors.

**ABSENT:** None.

**STAFF PRESENT:** Mandy Balcom, Court Administrator; Sammy Egbert, City Recorder; Tim Gaines, Finance Director; Anne Heath, City Administrator; Larry Larson, Chief of Police; Brian Harmon, Public Works Director.

**RECORDED BY:** Jack Moran, LCOG

### **CALL TO ORDER:**

Mayor Smith called the Regular Session of the Coburg City Council to order at 7:06 p.m.

### **PLEDGE OF ALLEGIANCE:**

At Mayor Smith's request, Ms. Egbert presented a video of the Pledge of Allegiance.

### **ROLL CALL:**

Ms. Egbert called the roll and announced a quorum was present.

### **MAYOR COMMENTS:**

Mayor Smith thanked councilors for a successful and productive retreat. He asked councilors to submit requests for liaison assignments to committees and the Police Department.

### **AGENDA REVIEW:**

Ms. Egbert conducted the agenda review and said no financial written update would be presented tonight. She said it would instead be presented next month. There were no minutes from previous meetings available for approval.

## AUDITOR'S REPORT

Steve Tuchscherer presented the report. A copy was included in the Council packet. Mr. Tuchscherer touched upon several points and said both analytical and comparative analyses were included. He said the audit went very well this year as it had for the past several years.

Mr. Tuchscherer said the audit found no material misstatements in city financial statements. He discussed with councilors information contained on Page 14 (statement of net position) and said information on both capital assets and long-term debt was included in this report, but not in city budget documents.

Councilor Alexander asked in regard to program expenses what culture and recreation stood for. Tuchscherer said it primarily related to city parks. This information was included in the 'statement of activities' portion of the report, on page 15.

Councilor Alexander asked how councilors would be able to ascertain detailed expenditure information for culture and recreation. Tuchscherer said financial statements such as these do not include that level of detail, but that some information relating to the topic was shown throughout the report. He discussed relevant information on park spending contained on pages 33 and 57 of his report. He noted financial statements can be complex, and said he was willing to return to the council with more information relating to Alexander's question.

Councilor Fox asked Mr. Tuchscherer if there were any concerns or suggestions for improvements. Mr. Tuchscherer said he had none. He went on to note that internal-control deficiencies can cause issues for local governments, and that this past year has been particularly difficult to assess because of workplace changes forced by the pandemic. He said the city employs sufficient staff to correctly separate duties, and operates an overall system that avoids deficiencies that could create opportunities for fraud or errors. He provided additional information regarding elements of strong internal-control systems and noted it can be challenging for smaller local governments to establish those strong systems. He offered to set up a meeting with city officials to further discuss the issue and provide additional information. But he emphasized his assessment of the City's internal controls was that there were no material weaknesses or deficiencies.

Mr. Tuchscherer subsequently provided a summary of a statement on Page 18 that showed General Fund revenues were less than expenditures, which lowered the fund balance. But, he said, an opposite situation - an increase - occurred last year by a similar margin. So over two years, the result is a stable General Fund balance. Councilors did not have any questions about this statement.

Mr. Tuchscherer also provided an overview of a statement on Page 22 - the statement of cash flows for proprietary funds. Councilors did not have any questions about this statement.

Mr. Tuchscherer then discussed Page 36 of the audit report, which included notes to the basic financial statements. It presents current-year changes in debt obligations and the current portions due for each debt.

Council Lehmann asked Mr. Tuchscherer about projections for next year's audit, in light of the recent decision to refinance city debt. Mr. Tuchscherer said refinancing was not an unusual event with current interest rates so low, and he applauded local governments for refinancing at this time as a money saver. He said councilors would see from a budgetary standpoint a series of loan proceeds coming in and a series of loan payments going out. But the activities won't be fully reflected in periodic financial statements.

In response to a question from Councilor Lehmann, Mr. Gaines said both he and City Administrator Heath had reviewed the audit report and had no concerns.

City Administrator Heath thanked Mr. Tuchscherer for his work.

**Councilor Fox moved, seconded by Councilor Blain, to ACCEPT THE AUDITOR'S REPORT THROUGH JUNE 30, 2020, AS PRESENTED. The motion carried unanimously, 6:0.**

City Administrator Heath said councilors would be able to review significant information from past years in upcoming budget documents, and offered to get them to councilors sooner if they wanted to take on the difficult task of matching 2020 budget documentation to the audit report.

Mayor Smith noted his appreciation for the detailed information provided by Mr. Tuchscherer, whose firm the city has worked with since 2015.

#### **WATER SEWER RATE STUDY**

Consultants Doug Gabbard and Zech Hazel of FC Group presented a slideshow detailing their water and sewer rate study.

Mr. Gabbard said not much had changed with Coburg's situation since the consultants last met with the City Council last July. Rate setting helps the city make sure its needs and revenue goals are met, he said.

Mr. Gabbard said that while there was risk concerning water-rate growth assumptions, the consultants believe the projections are accurate. Many capital projects are expected to come online over the next several years. No water rate increases should be required. But the consultants do not recommend any rate decreases, either.

Mr. Hazel presented information from the study on sewer rates. The situation was similar to what was seen on the water side, he said. Due to high forecasted growth and debt financing, the study found no rate increases would be required. The city's decision to refinance debt has helped.

Councilor Lehmann asked the consultants if they knew of any communities with higher rates than Coburg. Mr. Gabbard said he did not know, but that there is a relationship between rates and the size of a utility.

Councilor Fox asked if the growth assumptions take into account a paused and possibly pared-down development. Mr. Gabbard said he did not know of anything that would affect the growth assumptions. City Administrator Heath said the city still expected the neighborhood would be built, but may take longer to complete with some changes. Staff has the ability to adjust assumptions annually, she said.

Councilor Alexander asked about the average rate increases in other cities. Mr. Gabbard said it varied widely from city to city. Major capital project timelines are a factor in rate-raising discussions, he said.

Mayor Smith noted the council's policy to receive an annual report on this topic. He said the study provides a clear picture of the situation, and thanked the consultants for their reports.

In response to a question from Mayor Smith, City Administrator Heath said staff needed no additional direction from the Council. She thanked FCS Group for their help and partnership with the city.

#### **FINANCE-AUDIT COMMITTEE REPORT**

Cathy Engebretson presented the report. She said the committee was back on its regular, quarterly schedule and had several projects in the works. The committee spent time reviewing the audit completed by Mr. Tuchscherer's group and was pleased with the clean audit opinion.

Ms. Engebretson noted revenues for the city were on track this year despite impacts of the pandemic. She offered kudos to staff for taking advantage of an opportunity to refinance debt while rates were low. Ms. Engebretson said the committee had set goals that included continuing to review internal-review controls; She said Mr. Tuchscherer had provided the Finance Director with materials regarding committee priorities, and that each committee member would review those.

Councilor Fox thanked Ms. Engebretson for presenting an excellent report.

Mayor Smith said the Council has been glad to get regular reports from its citizen committees because it has helped the Council set its goals.

#### **PARK TREE COMMITTEE ANNUAL PRESENTATION**

Mary Mosier made the presentation. Ms. Egbert ran a PowerPoint presentation while Ms. Mosier spoke. The presentation was included in the Council packet.

Ms. Mosier reviewed recent and planned improvements to spots including Johnny Diamond Park, Trail's End Park, Jacob Spores Park and Pavilion Park.

She said committee goals included researching development of a parks district; creating a process for planning future park development; establishing a tree subcommittee; and establishing a community volunteer base. Ms. Mosier said pending projects included additional improvements at numerous parks and open space areas.

Councilor Lehmann asked if signs had been replaced along the Booth-Kelly mill pond trail. Ms. Mosier said they had not but that there are plans to do so.

Councilor McConnell also asked about the Booth-Kelly trail. She said it looked great but wondered if anyone had done any spraying there while making improvements. Ms. Mosier said the committee had not done a work party there.

Councilor McConnell asked if there were environmental concerns about potential spraying. Ms. Mosier replied that local youths had removed some vegetation in the area in order to ride bikes there. The committee is looking for opportunities to find an area for youths to ride bikes.

Councilor Blain said he knew some of the boys who had cleared the area, which is private property, and said they had not used any spray. Ms. Mosier said the committee would like to talk to the youths about their desire for a place to ride bikes.

Ms. Mosier added that the area in question included nonnative, invasive plants that have choked out native plants.

Mayor Smith said he felt Coburg has long lacked facilities aimed specifically at youth recreation. He thanked Ms. Mosier for her report.

#### **MUNICIPAL COURT PROSECUTOR SERVICE CONTRACT**

Court Administrator Mandy Balcom provided a brief history of the city's municipal court prosecutor service contract. She recommended the city continue working with attorney Jesse London and London Paris, LLP, through this fiscal year. After COVID the city hopes to put out the contract again to see if additional applicants are interested. This is the same contract David Logan formerly had with the city. It totals \$5,400 through the end of the current fiscal year, Balcom said. After this year, the city could choose to renew London's contract or again do a formal solicitation.

**Councilor Alexander moved, seconded by Councilor Blain, to APPROVE THE CITY PROSECUTOR CONTRACT AS PRESENTED FOR JESSE LONDON/LONDON PARRIS, LLP. The motion carried unanimously, 6:0.**

#### **SURVEILLANCE CAMERA REGISTRATION & MAPPING PROGRAM - SCRAM**

Police Chief Larry Larson presented information on the police department's new program. It establishes a system in which private property owners volunteer to share their surveillance camera footage with police investigating crimes, he said. To participate, community members register with the city. Police conducting investigations will determine if they need surveillance

footage from individuals or businesses. The department will issue informational window stickers to people who join the program.

Chief Larson confirmed, in response to a question from Councilor Alexander, that people registered for the program would voluntarily provide video to police solely in response to requests, and not constantly streamed.

In response to a question from Councilor McConnell, Chief Larson said he would publicize the new program by delivering fliers to businesses and putting an article in the city newsletter.

Councilor Lehmann spoke in support of the program and opined some may wrongly see it as a “big brother” surveillance effort. He suggested police get ahead of that possibility by providing the public with detailed information about the program.

Chief Larson agreed he wanted the public to feel comfortable participating in the voluntary program. Larson said, in response to a suggestion from Councilor Lehmann, that information about the program would be posted on the department’s website and Facebook page.

Mayor Smith said he supported the program and agreed it is important for the public to understand participation is voluntary.

#### **CITY ADMINISTRATOR’S REPORT**

City Administrator Heath told Councilor Blain she had met his son and found him to be quite respectful. She said she had talked to the other boys too and had been impressed with both their work along the path and the respect they showed her.

Ms. Heath said the city submitted two grant applications for potential projects along Main Street. One of them is for flowerpots, the other for the design of a bike kiosk. The city would soon learn if the applications would be approved. The grant was very competitive and set up to generate tourism in Oregon cities this summer, she said.

Ms. Heath said it was disappointing to learn Lane County would remain in the “extreme” risk category for two more weeks. After that period, she hoped some restrictions could be relaxed.

Ms. Heath said the city water line project is on schedule. There is an easement issue resulting from changing landscape in the area since the property was purchased years ago. There is substantial timber and a creek there now, she said.

Councilor Alexander wondered why issues with the easements weren’t previously noticed. Ms. Heath replied that the city had been working with the neighborhood to resolve the issues but that she could not speak to what originally happened between the city and neighbors in 2007. She said the neighbors had seemed to want to work with the city on a solution.

Councilor Alexander asked if the situation presented any budget concerns. Ms. Heath responded that, ultimately, building the water line could save money. She expressed optimism the project would be successful.

Councilor McConnell congratulated Ms. Heath for submitting the two grant proposals for Main Street improvements.

**ADJOURNMENT**

Mayor Smith adjourned the meeting at 8:51 p.m.

**APPROVED** by the Mayor and Council of the City of Coburg this x day of x, 2021.

ATTEST:

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Sammy L. Egbert, City Recorder

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Ray Smith, Mayor

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