



**Coburg City Council  
Work Session**

March 30, 2021 6:00 P.M.  
Via Virtual Conference

**COUNCILORS PRESENT:** Ray Smith, Mayor; Nancy Bell, John Lehmann, Patricia McConnell, John Fox.

**COUNCILORS ABSENT:** Mark Alexander, Kyle Blain.

**STAFF PRESENT:** Sammy Egbert, City Recorder; Anne Heath, City Administrator; Brian Harmon, Public Works Director; Tim Gaines, Finance Director.

**GUESTS:** Paul Thompson, Planning Commissioner Chair.

**1. Call Work Session to Order**

Mayor Smith opened the work session of the City Council at 6:10 p.m.

**2. Discussion on Transportation Utility Fee**

Ms. Heath told the Councilors that she had financial sheets that they could play with and they also had a related ordinance which City Council gave input on. They would decide after the presentation.

Ms. Heath noted that this process started because the public was concerned with the condition of the streets. Staff wrote an updated pavement management report, which was delivered to City Council. A Citizen Committee to review and report recommendations was created to work on improvements. Staff then designed an ordinance which was provided to City Council for review. She said when COVID-19 started the discussion was put on hold, but they were now revisiting the issue.

Residential, they had 61 PCI average, which they wanted to raise. Industrial was 62 PCI and collectors were 40 PCI. Ms. Heath said there was a lot of work to do, their PCI goal was to be between 80 and 100. With preventative maintenance roads would stay in good condition for around 15 years. She stated that preventative maintenance was just as good of an option as reconstructing the roads.

The Pavement Management Program was a list of prescribed treatments of the streets in Coburg over a five-year period. It should not be used as a concrete document on how a street would be treated. It should be used as a management tool for the Public Works Director, the Engineer, and a supporting committee. All projects must be engineered, and priorities had to be made as to which streets were in worst shape, which streets only needed preservation, and which street projects may be combined with other projects to save money.

Ms. Heath presented a financial document that detailed the street repair costs as of March 2021. The Roberts Road pavement repair project would cost them \$1,600,000. That project qualified for regional funds.

Ms. Heath showed the City of Coburg Paving Preservation Central City project. She said that Coburg's collector streets served as a vital connection of local Coburg residents as well as the regional economy, and the pavement on those streets was in varying condition. The project began on the North end of town with E Van Duyn Street, and continued South onto N Harrison Street, then East on Locust Street, South on Skinner Street, East on Mill Street, South on Coleman Street, and then west on Dixon Street. A total of \$750,000 had already been obtained.

Ms. Heath quickly went over what a Transportation Utility Fee (TUF) was. It was a charge on the monthly utility bill that all proprietries would receive. The fee would be based on the use of the transportation system. The TUF would be imposed on a City-wide basis and would either continue in perpetuity, or for a limited amount of time. The TUF would provide a dedicated and stable funding source to finance ongoing maintenance and operations of a locality's transportation system.

The Street Funding Committee recommendation was \$10 per month per residential unit and \$7 or \$10 per trip equivalent unit to businesses (Business sector trips per day multiplied by 1000 square feet of business space).

Ms. Heath said that they had to make the public aware of this before it was implemented. City Council would work tonight on defining most of the details, but they could add another work session if they needed more time. There would be two public hearings, since it was an ordinance, before it was implemented. She said that the first bill the TUF would likely be on would be the September 1, 2021 bill.

Councilor Lehmann hoped they could keep the TUF separate from tree fee. He wanted to see the fee at \$7 for residents and \$5 for businesses. He asked if that would make the burden similar. Mayor Smith thought Ms. Heath had information on that. They found that if both had the same fee it was disproportional.

Councilor Lehmann thought that having a five-year plan instead of ten. Mayor Smith clarified that it was a five-year construction plan and a ten year pay back. Councilor Lehmann mentioned that there were new federal funds which they could allocate. He personally wanted the funds to go to a new Public Works building. Councilor Lehmann said that the vote should be from City Council, not the public.

Councilor Fox wanted to have the presentation so it could be looked at more. Ms. Heath said she would send it out to the Councilors after the meeting. Ms. Egbert mentioned that it would also be available on their website the next day.

Councilor Fox talked about class versus equitable class. Since the software worked better with class then they should go that route. Mayor Smith mentioned that class also set the sewer fee.

Mr. Harmon said that they would be getting a lot of construction and water projects in the next five year as well as replacing water mains. There was some overlap with where water mains were and roads that needed construction. He said they could time out projects to happen around the same time. Stretching the construction past five years would help them not overload the streets.

Councilor Lehmann wondered if they could give heavily trafficked businesses a break. Mayor Smith stated that they had talked about implementing an appeals process. Councilor McConnell as concerned with giving businesses a smaller fee. She did not know how they would determine a businesses impact and the type of travelers they got. Businesses like Truck 'N Travel mainly got truck business, which were harsher on the roads. Mayor Smith mentioned that trucks already paid a fee and therefore offset the fee. He said they should have an appeal process for both residents and businesses. Councilor McConnell

wondered how easy it would be for people to appeal the fee. She agreed that they should have an Oversight Committee.

Councilor Bell thought that the fee should be ongoing and could be reduced if needed. Citizen knew that to live in their City they had to pay fees. She agreed that there should be an appeals process.

Councilor Lehmann thought most residents would see this to fix the roads in the City. He said that was one of the reasons that it should just be five years was because most of the expensive construction would be done by that point. If the fee was ongoing then they should structure it at a higher rate until major construction was completed. Mayor Smith stated that they wanted a sunset clause for ten years and then have the City Council review the fee every year after that.

Councilor McConnell asked if the City would charge exempted organizations, and who those organizations would be. Mayor Smith said that they did not want to set a flat rate for organizations. He explained that some non-profits could pay the fee, but others could not. They would investigate those exemptions more after a decision was made. Councilor McConnell asked why they were exempting some businesses but not any residents. Mayor Smith mentioned that they had low-income assistance available for residents, but nothing for non-profits with low budgets.

Mayor Smith said they still needed more information on the fee and appeal process, Council versus resident vote, the sunset schedule costs and workload, and the street and tree fee options.

Ms. Heath went over how to use the spreadsheet so the Councilors could use with it.

Mayor Smith inquired into if staff needed anymore instruction moving forward. Ms. Heath said they did not. The ordinance would be sent out again. All they needed to know was when it should be implemented. Councilor Lehmann thought there would be Council action in June. Mayor Smith said it would be before July.

Mayor Smith said they had a good discussion and was excited to hear more in the coming weeks. He emphasized that they had to get information out to the public.

### **3. Adjournment**

Mayor Smith adjourned the meeting at 7:52 p.m.

*(Minutes recorded by Lydia Dysart)*

**APPROVED** by the City Council of the City of Coburg on this 13<sup>th</sup> day of April 2021.

**ATTEST:**

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Sammy L. Egbert, City Recorder

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Ray Smith, Mayor of Coburg