



## MINUTES

### City Council Work Session

November 26, 2024 at 6:00 PM

Coburg City Hall

91136 N Willamette Street

**MEMBERS PRESENT:** Nancy Bell; Mayor, Cathy Engebretson, John Fox, Claire Smith, John Lehmann, Alan Wells, Jaymason Bouwman

**MEMBERS ABSENT:** none

**STAFF PRESENT:** Adam Hanks; City Administrator

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

#### CALL TO ORDER

Mayor, Nancy Bell called the meeting to order at 6:05pm.

#### ROLL CALL

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

#### DISCUSSION ITEMS

##### 1. Utility Rates Review and Revenue Sub-Committee Recommendation

Mr. Hanks went over the driving costs for the city, the fund overviews, fund balances, and budget. He went through some current and future project costs and how they will affect the funds and budget.

Ms. Bell reminded everyone that the decline in ending fund balances has been happening for a while, and these are not new circumstances for the city. She and Mr. Hanks also mentioned that the SDC funds have been included in the fund balances for a couple years now, and probably will continue to be for the next few, or else it would show a negative ending fund balance.

Mr. Hanks began the discussion of utility rate increases. He explained that the staff will be proposing in December to council, a water rate increase of 4%, a wastewater increase of 6%, and the addition of index to the TUF fee, which is 0.9%. The most recent rate study that was done has a rate model projection of between a 2-5% increase. The goal is to smooth out the rate increases every year, to avoid a much larger spike one year. Hanks discussed some more details and factors on the increase.

Mr. Fox asked why they would only do a 0.9% increase on the TUF fee. Mr. Hanks explained that the 0.9 is what the index is currently, but they could adjust it more to recognize and make up for the lost ground in previous years.

They discussed adding a line for the gas tax and possible added diesel tax down the road. Hanks mentioned a possible tree fee increase to adequately address the amount spent on dealing with trees, and also the future addition of a storm water operating maintenance fee, along with a storm water fund and SDC, when the storm water master plan is done. An additional park and open space fee and public safety support fee would be similar to the tree fee and would show up on the water bills, is added.

The city is working with the University of Oregon to create and put out a survey to the community which will go out in the Spring, focusing on service level questions in the community. They discussed property taxes and what goes to the fire district.

Mayor Bell asked if they added an open space or public safety support fee, if that fee would be a flat rate or one that was evaluated every year. Mr. Hanks said that the rate design would be up to the council, but he would suggest that it would be defaulted to go up by some amount. He also explained that the rate models and methodology reviews and changes are still a few years out because, in order to get an updated rate study, the master plan has to be updated, which is in the works.

Hanks spoke about the wastewater system management requirements, high capital cost, regulations, liability exposure, and challenging workforce certifications that are hard to come by.

Mr. Hanks went over the provided timeline of rate changes and long range options. He also went over what would be included on the December agenda regarding rate increases. They also discussed the timeline of increased gas tax, and any possible added taxes, like diesel and lodging tax. Councilors requested a summary of what the revenue sub-committee has discussed and their recommendations.

They continued to discuss possibilities with the rate increases, and Mr. Hanks answered any questions or concerns brought up by council.

## **ADJOURNMENT**

Mayor Bell adjourned the meeting at 7:35 pm.

**APPROVED** by the City Council of the City of Coburg on this \_\_\_\_ day of \_\_\_\_\_, 2024.

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

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