



Coburg City Council
Regular Session
July 12, 2016 – 7 P.M.
Coburg City Hall
91136 North Willamette St., Coburg

COUNCILORS PRESENT: Ray Smith, Mayor; Sharyl Abbaspour, Jerry Behney, Patti Gianone, Patrick Kocurek, Chris Page, Steve Stearns

COUNCILORS ABSENT:

STAFF PRESENT: Anne Heath, Sammy Egbert, City Attorney Milo Mecham

GUESTS PRESENT: None

RECORDED BY: Rodney Cimburke, LCOG

1. CALL TO ORDER:

Mayor Smith called the meeting of the Coburg City Council to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE:

Council conducted the Pledge of Allegiance.

3. ROLL CALL FOR QUORUM:

Sammy Egbert called the roll and stated a quorum was present.

4. MAYOR COMMENTS:

Mayor Smith said that he had been very busy, and although he was sure there were many things he'd like to comment on, he wished to move the meeting forward.

5. AGENDA REVIEW:

Ms. Egbert drew Council's attention to the red folder item on the agenda which was a memorandum from Councilor Page on the recommendation for the City Fuel Tax (CFT).

Mayor Smith asked Council if any of them had looked at the League of Oregon Cities' legislative priorities summary. He stated that if any Councilors had any recommendations, he would like to have them as soon as possible as he has to turn in materials by next week.

Mayor Smith added that Council had received an email request for each councilor to fill out a questionnaire regarding the 2015 audit..

Ms. Heath added that if any Councilor had no comments or concerns, they could simply write "I have no concerns" on said questionnaire.

Councilor Abbaspour asked if the City could sue over how long this process was taking.

Mr. Mecham answered that he believed the City did have a basis for a lawsuit, especially considering the City received a warning from the State that state funds could possibly be withheld. He added that he believed the auditor should be held liable for any State funds withheld from the City. He concluded that he planned on drafting a letter stating that if the City lost any monies due to the audit taking so long, the City would hold auditor Pauly Rogers responsible.

Mayor Smith requested that since the Coburg Fuel Tax agenda item was upcoming, and the public comment was all centered around that discussion, that the public comment be offered during the CFT discussion, not separate from it.

Ms. Egbert suggested that Council move the CFT discussion to the first item of business. Mayor Smith asked the Council if they thought they should move the CFT to the first item on the agenda for discussion. Council gave consensus that they did.

6. CONSENT AGENDA: Tab 1

Minutes Approval for the June 14, 2016 City Council Meeting. Mayor Smith offered three corrections:

- On page five, it reads, "Ms. Schuetz said that Coburg had received a \$30,000 grant from the Infrastructure and Finance Authority for education, assessment and data collection outside the Urban Growth Boundary," and it should read: "...education, assessment, and **data** collection..."
- On page six, it reads, "Councilor Gianone asked where the Diamond Lake reservoir was," and it should be either Diamond Hills or Diamond Ridge, but not Diamond Lake.
- On page 11, it reads, "Ms. Schuetz added that staff was directed by Council last month to come back with this recommendation in the month of June, not to return it to the PTC," and it should read, "...staff was directed by **Mayor Smith** last month..."

Councilor Behney moved, seconded by Councilor Stearns, to approve the June 14 minutes as amended. The motion carried unanimously, 6:0.

7. CITIZEN'S TESTIMONY:

Citizen's Testimony was withheld until the CFT discussion as mentioned above.

8. DEPARTMENT ACTIONS & UPDATES

- **Resolution 2016-16 A resolution setting a ballot title and directing the City elections official to take all appropriate steps to place the question concerning an increase in motor vehicle fuel tax on the November 2016 general election ballot: Tab 3**

Mr. Mecham gave Council a brief history of the Coburg CFT, and how it is processed. He added that the State Legislature has changed the law so that any city creating or amending a gas tax, must get the approval of voters to do so. He stated he had prepared a ballot title, and added that Council needed to have the ballot title ready for review by August 19.

Councilor Page drew Council's attention to the aforementioned red folder CFT memorandum as an addition to Tab 3. The memo was a report and recommendation for the Fuel Tax.

Councilor Abbaspour expressed gratitude for the thoroughness and clarity of the report.

Citizen Testimony

Bobbi Netzel, Office Manager of the Coburg Truck 'N Travel Center (TNT), offered an explanation of how the current fuel taxing works for commercial and non-commercial fuel. She stated that neither she nor her colleagues were optimistic about the efficacy of a CFT. She added that, by her calculations, it would cost TNT \$3,000 extra per month if Council passed the CFT.

Councilor Gianone inquired if the CFT was applicable to all fuel, or just diesel fuel specifically.

Ms. Netzel answered that the proposed CFT was completely different, and in addition to, any existing fuel taxes.

Councilor Stearns expressed concern that the problem TNT was having with taxes on commercial vs. non-commercial sales was preexisting, and therefore would not be affected, as Ms. Netzel claimed, by the CFT.

Ms. Netzel said that they would have to do the tax paperwork for both the State and the City.

Councilor Stearns reiterated that he still did not understand how the five cents of the proposed CFT would be any different than it currently is where TNT's expenses were concerned. He said that the problem lies with commercial fuel, and therefore, was already happening before the CFT.

Ms. Netzel offered that extra expenses would be accrued when TNT investigates their transactions to make sure the CFT was paid so that TNT can then make the appropriate tax payment to the City.

Councilor Stearns asserted that there were many streets within Coburg City limits that needed repairing, and that the CFT reportedly will raise \$40,000/year for local road repair.

Ms. Netzel stated that the participation of the third-party billing companies TNT goes through would impact how well TNT could absorb the CFT, but she added that she doubted the third-party billing companies' participation would be very high.

Councilor Page asked how this issue is treated in Eugene, where a fuel tax already exists.

Ms. Netzel replied that all of their operations in Eugene were cardlock only.

Councilor Page wondered why two separate files would have to be kept—one for State tax and one for the CFT.

Ms. Netzel answered that the two tax files would have to be kept separate so TNT will know which taxes (State or CFT) it has paid.

Mayor Smith asked if the third-party paying companies pay for commercial diesel only.

Ms. Netzel replied that they do not just pay for commercial diesel, but non-commercial diesel as well.

Jim Anderson, owner of the Coburg TNT, reported that Oregon is one of only two states that impose a weight mile tax, and as such, it is extremely difficult to get vendors, third-party billing companies, etcetera all on the same page in regards to billing and taxes. He added that exorbitant amounts of money will have to be spent in upgrades to accommodate the CFT.

Mr. Anderson concluded that the burden his business would be put under due to the CFT was unfair and "upside-down."

Brenda Fashaw, manager at Fuel-n-Go (FNG), said that since they were a much smaller business than TNT, the imposition of the CFT would impact them even more negatively.

Councilor Behney offered that since neither of the two truck stops in Coburg are in the center of town, they should not be held responsible for the repair of City roads through the imposition of the CFT.

Councilor Kocurek stated that it seemed to him that since the City had recently lost some federal funding it would have used for roads, a new method—the CFT—is the City's way of

trying to make up for some of that lost federal money; he concluded that he did not think it was working very well.

Councilor Page expressed concern that the CFT would place the burden for Coburg road repair on drivers who don't normally use said roads. He added that the CFT would also potentially threaten local business.

Councilor Gianone stated that she did not believe the CFT should be placed before voters due to its complicated nature, and the potential damage it could cause to local businesses.

Councilor Stearns said that his position had softened a bit since hearing the discussion; he added that after hearing the potential negative impact on TNT, he no longer thought that potential damage reasonable.

Councilor Abbaspour agreed that the CFT would place too much of a burden on local businesses, namely TNT and FNG. She recommended revisiting this issue in the future.

Mayor Smith offered thanks to Councilor Page, Mr. Anderson, Ms. Netzel, and Ms. Fashaw for their hard work and attention to the matter.

Mr. Mecham suggested that Council could either move to amend the Resolution and the proposed ballot title by removing the tax on non-commercial diesel, or they could postpone the decision until next month.

Councilor Behney suggested raising the CFT to \$0.06 from \$0.05.

Mr. Mecham suggested Council moving to amend the ballot title to read "\$0.06."

Councilor Gianone moved, seconded by Councilor Abbaspour, to accept the language of the CFT as amended to remove all reference to non-commercial diesel tax. The motion carried 5:1, with Councilor Page opposed.

Councilor Stearns moved, seconded by Councilor Behney, to amend the \$0.05 CFT to \$0.06. The motion carried 4:2, with Councilors Abbaspour and Page opposed.

Mr. Mecham discussed with Council the changes that would need to be made to the language of the CFT.

Councilor Page moved, seconded by Councilor Stearns, to approve Resolution 2016-16 as amended. The motion carried 5:1, with Councilor Gianone opposed.

Mr. Mecham added that since Council had placed the Measure on the ballot, Council nor City funds can be spent advocating for the Measure.

- **City Administration Monthly Update: Tab 2**

Ms. Egbert reported that she did have the Parks/Tree Committee (PTC) draft information previously discussed.

Mayor Smith stated that he wanted to call an Work Session in October to address communication between Council and the committees.

Ms. Egbert drew Council's attention to the bulleted list of City Department tasks currently in progress.

Mayor Smith asked the Councilors to look at and at least initial that they've seen the literature from the League of Oregon Cities.

Mayor Smith expressed support for the renewal of the IGA with LCOG; he said he believed it was very economical for the City.

Ms. Heath stated that normally, the City pays for its website and IT support separately, but this renewal with LCOG will combine those into one bill.

- **IGA Lane Council of Governments (LCOG) Computer Consulting Services: Tab 4**

Ms. Egbert drew Council's attention to Tab 4, which laid out the renewal of an IT Intergovernmental Agreement with LCOG.

Mr. Mecham informed the Council as to what exactly LCOG was, and how it came about.

Councilor Abbaspour moved, seconded by Councilor Behney, to approve the IT agreement with Lane Council of Governments. The motion carried unanimously 6:0.

- **FY17 City Council Goals with Work Plan: Tab 5**

Ms. Egbert drew Council's attention to Tab 5, a list of tasks for FY17 arranged by City department. She clarified that this document was a draft for Council to question and comment on. She added that Councilor Gianone expressed a desire to see the Council goals incorporated by number into the new Work Plan.

Mayor Smith stated that he would like to see a broader definition of what the City actually does in the new Work Plan.

Finance

- **Financial Monthly Update: Tab 6**

Ms. Heath offered that she thought financially speaking, the City was doing very well. She added that City revenue was at 72%, and City expenses were at 70%. She concluded that the General Fund would end the FY with a positive balance.

Councilor Abbaspour asked why the cost of building maintenance was higher than expected.

Ms. Heath answered that the utilities and telephone service was more expensive than originally planned for.

Councilor Page wondered how far above budget the wastewater fees were.

Ms. Heath replied that wastewater fees were up approximately \$35,000, and she expects that number to increase in the future.

Councilor Gianone wanted to know why there was so much money left in the Street Fund.

Ms. Heath answered that it was probably because the City had access to specific monies that were earmarked for specific uses, and therefore could not be withdrawn from the Street Fund for routine repairs.

Planning

- **Heritage Committee Appointment: Tab 7**

Councilor Behney asked if applicants to the Heritage Committee members filled out applications.

Mayor Smith answered that they do, and that usually, the Heritage Committee reviews the applications and forwards them to Council, which they did not do in this case.

Councilor Stearns moved, seconded by Councilor Gianone, to appoint Maria Pini to the Heritage Committee consistent with the Heritage Committee recommendation made June 15, 2016. The motion carried unanimously 6:0.

Public Works

- **Resolution 2016-15 A resolution adopting the 2016 Water Master Plan: Tab 8**

Mr. Mecham introduced to Council Tab 8, the final draft of Resolution 2016-15, a resolution adopting a water master plan update.

Councilor Stearns asked if the City's current STC fees were updated by Resolution 2016-15

Mayor Smith replied they were.

Councilor Page moved, seconded by Councilor Behney, to approve Resolution 2016-15, a Resolution adopting the Water Master Plan update. The motion carried unanimously 6:0.

Mr. Mecham introduced Matt Hogan to Council. Mr. Mecham stated that Mr. Hogan was seeking Council approval for a liquor license for a specific event.

Mayor Smith asked for, and received consensus from Council to take on this new business.

Matt Hogan, owner of the Coburg Inn restaurant, stated that there was a horeshoe tournament at the Coburg Inn, for which he needed Council approval for a liquor license for the event. The current liquor licensure only allows alcohol to be served until 10 p.m., unless they have a Special Event Permit, which Mr. Hogan asked Council for.

Ms. Egbert added that the noise variance was still pending.

Councilor Stearns asked when the noise variance would close

Ms. Egbert replied Friday.

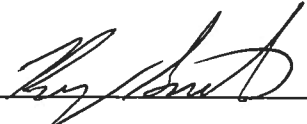
Councilor Behney asked what time the event was scheduled to end.

Mr. Hogan replied that the event was usually over by 11:00 p.m. or midnight, and he added that he put a 1 a.m. end time. If there are still matches going at that time, they would have to be continued the next day.

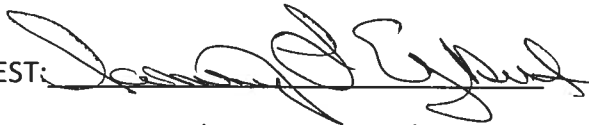
Councilor Stearns moved, seconded by Councilor Page, to approve a temporary liquor license for the Coburg Inn as it hosts this event. The motion carried unanimously 6:0.

Mayor Smith adjourned the Regular Session at 9:42 p.m.

APPROVED by the Mayor and Council of the City of Coburg this 13th day of September, 2016.



Ray Smith, Mayor

ATTEST: 

Sammy L. Egbert, City Recorder

