

BROWNSVILLE CITY COUNCIL
MEETING MINUTES
SPECIAL MEETING

June 5, 2008

ROLL CALL: Mayor Ware called the meeting to order at 7:00 p.m. with Councilors Brenner, Cole, Hoffman, Ginn and Shepherd present. Councilors Pinnock and Hoffman were excused. Also present were City Administrator Scott McDowell and City Planner Bill Sattler.

ADDITIONS AND DELETIONS: NONE.

ACTION ITEMS:

1. Sewer Bond Debt Retirement Strategy. Mr. McDowell said that he had received the amortization tables from both the State and USDA so he was able to put some figures together for the sewer bond repayment. Mr. McDowell said that after next year the annual payment to USDA would be \$173,920 on one loan and \$158,152 on the other loan. The payment to the state would be \$22,102.20 per year, for a total of \$354,175 per year to retire the debt. Mr. McDowell presented information showing how much money would be raised by a flat debt retirement fee on each sewer bill varying in amounts from \$10 per month to \$25 per month and the corresponding amount of taxes that would need to be levied for each amount. Mr. McDowell said that the average cost per household would be \$47.08 per month, in addition to the existing sewer charges. Homes with high assessed valuation would pay more and less expensive homes would pay less, the amounts would vary with how the payment was split between monthly billings and property taxes. Mr. McDowell reminded the Council that they would still need to adjust the basic sewer rates for increased costs to fund current operations. Mr. McDowell said that when the bond was presented to the voters the Council had anticipated the average monthly cost at around \$75 per month per household so the actual cost is very close to what had been anticipated. The Council discussed how they wanted to apportion the cost. Several Councilors noted that the original discussion had been to split the cost approximately 50/50 between rates and property taxes. According to Mr. McDowell's figures that would result in a monthly charge of around \$22 per month. Mr. McDowell then went on to discuss the unique circumstances surrounding this coming fiscal year, saying that the City had levied in Fiscal Year 2006-2007 and had about \$179,000 in the bank as the result of that levy. (These are the sequestered funds Council has discussed many times in the past.) He said that he had hoped to apply that money directly to the principal on the loans but USDA would not allow that to be done. As a result, the sequestered funds will be applied towards the annual payments, which will significantly reduce the amount needed to be raised in the next year. Mr. McDowell suggested that it would be best to keep the debt service charge constant from year to year, rather than raising it after next year. There was discussion regarding how any increase in total assessed valuation for the City as a whole will reduce the amount levied on each property. Mr. Winterbotham had some questions regarding how the tax was assessed, particularly if vacant lots would be assessed for the sewer bonds. McDowell attempted to answer saying that all property would be assessed regardless of what improvements, if any, were present. Councilor Ginn moved that the City assess a debt service fee of \$15 per month on each sewer bill and directing the City Administrator to levy the balance of the funds needed to meet the debt payment obligations as property taxes. Councilor Brenner seconded the motion which passed 4 to 1 with Councilor Brenner voting no.
2. Millrace & the Calapooia Watershed Council. Mr. McDowell provided an overview and history of the project and introduced Mr. Bud Baumgartner of the Watershed Council. Mr. McDowell said that the Watershed Council has a remainder of \$300,000 in funding to install the pump station to put water into the Millrace. This bid to do the work came in at around \$425,000. Denise Hoffert-Hay has been working with the contractors and engineers to reduce the construction cost and has been searching for additional funding. They have been able to get the construction costs down to around \$379,000. The Oregon Division of Fish & Wildlife (ODFW) has the potential of providing

additional funding but significant matching funds are needed, to the extent of around \$50,000. The Watershed Council has about \$30,000 in funds they can use but they are \$20,000 short. The only source for the additional funds to install the pumps appears to be the City; due to the tight construction time frame. Councilor Ginn suggested going to the Linn County Economic Development group. Mr. McDowell said that he simply didn't have the time to take on this time of endeavor. Ginn suggested that the Calapooia Watershed Council should take that responsibility. Councilor Cole asked if the City has \$20,000 to contribute. Mr. McDowell said that there is about \$143,000 in the Stormwater SDC fund and that this would be an appropriate use for the SDC money. There was debate regarding a variety of issues surrounding the millrace, Mr. McDowell said that the decision was really if the people of Brownsville wanted to have water in the millrace or not. He said that if Council feels that water is needed in the millrace then they will need to provide the matching funds or the project will not be built. The Contractor has made deductions based on getting the project completed this summer and the project will cost more to build next year because the Calapooia Watershed Council would have to re-bid the project. Councilor Cole said that she thought it was appropriate to use a portion of the stormwater SDC funds for this project as the millrace is an important component of the City's stormwater system. Councilor Brenner said that he thought it would be a good idea to try to get some funding from Linn County. Mr. Baumgartner said that at this point the Watershed Council has provided about \$800,000 in funding and that the City, which is the major water rights holder on the canal, has contributed no funding to the project. He said that it would greatly benefit their application with ODFW if the City would make a contribution to the project. Councilor Cole moved that the Council direct Mr. McDowell to begin the necessary process to utilize \$20,000 from the stormwater SDC fund to provide matching money to obtain funding from ODFW to complete the pump installation project. The motion was seconded by Councilor Brenner and was approved 4 to 1 with Councilor Ginn voting no.

COUNCIL COMMENTS:

Mr. McDowell said that the culvert carrying the millrace running under Averill Street has failed. He said the very old concrete structure has broken resulting in the road sagging about 3" at this time. Mr. McDowell said that he has spoken with Westech Engineering and they are recommending replacing it with a box culvert which would take about four to six weeks to be delivered. They are also recommending closing the street immediately as it is unsafe. Mr. McDowell said that this will affect the Pioneer Picnic parade route and he has informed the Picnic Committee. They are looking at alternate routes. Mr. McDowell said that he does not believe there will be any issues with using the USDA grant funds for the sewer project to replace the culvert as the street failed during the sewer construction. Councilor Shepherd suggested using several small culverts which could be obtained quickly and at lower cost. Mr. McDowell said that it didn't appear there would be enough money to do Phase 3 of the Seven Mile Lane sewer work so using the money for the culvert would not have an impact on the sewer project. Mr. McDowell said that Mrs. Nida found a significant error in the spreadsheet for the water account budget, resulting in a shortfall of \$159,000. He said that to balance the account the City would need to cut out two projects, the new electrical work on the wells and the new water line on School Avenue to the reservoirs.

ADJOURNMENT: The Council adjourned at 8:20 p.m. with no further action being taken.



City Administrator S. Scott McDowell



Mayor Don Ware