



The Friday Update

Bringing you a summary of weekly news from City Hall

August 9, 2002

City of Coos Bay

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"IN TOUCH" RADIO PROGRAM – This week's "In Touch" radio program will feature Coos Bay City Councilor Roger Gould, who can be expected to discuss any number of interesting things including his view of consolidation. Councilor Gould was recently appointed to serve on the four-member committee charged with the responsibility of drafting a new charter for the proposed City of Coos Bay-North. The program will air Saturday, August 10th at 7 p.m. on 1340 AM and on Sunday at 7 a.m. on 1340AM, 1230AM, 94.9FM and 107.4/107.7FM.

SOUTH COAST DEVELOPMENT COUNCIL MOVES TO NEW LOCATION – SCDC recently moved their offices to the Business Development Center in North Bend. Their new address is 2455 Maple Leaf Lane and telephone, fax, web site and email will remain the same. Although still in the unpacking and organization stage, interested citizens and elected officials are invited to stop by. Phone 751-1653 // Fax 751-8304 // web site scdc@scdcinc.org

30 YEARS OF SERVICE COMMENDED – At this week's city council meeting, Mayor Benetti recognized Bruce Ramberg for his 30 years of service to the Coos Bay Fire Department and presented him with a Myrtlewood plaque commemorating his dedication and commitment to the city. Chief Gibson also paid tribute to Bruce's service and presented him with T-shirts from various fire departments from around the country, including a T-shirt from New York City in remembrance of September 11th.

NATIONAL NIGHT OUT - On Tuesday, August 6th, officers from the Coos Bay Police Department joined citizens, other law enforcement agencies, the Coos Bay Fire Department along with community groups, businesses and local officials in over 9,700 communities from all 50 states, U.S. territories, Canadian cities and military bases worldwide to mark the 19th Annual "National Night Out" - an annual crime prevention event sponsored by the National Association of Town Watch. Nationally, over 33 million people will participate in 'America's Night Out Against Crime' this year. National Night Out is designed to heighten crime, drug and violence prevention awareness; generate support for, and participation in, local anti-crime programs; strengthen neighborhood spirit and police-community partnerships; and send a message to criminals letting them know that neighborhoods are organized and fighting back.

TECH VIEW 2002 – PART 2 – If you attended TechView I, you won't want to miss Part 2 being held at the Performing Arts Center at SWOCC on August 16th from 8 a.m. through 4 p.m. Cost for the day is \$25.00 and includes both breakfast and lunch. Please R.S.V.P. to bec@portofcoosbay.com or call 541-756-6778 with the names of who will be attending, company name, email address and phone number. Credit Card payment will be available the day of the event at registration, but please reserve your space in advance by calling the number above. For further information, please call 541-756-6778.

BLACKBERRY ARTS FESTIVAL – Mark your calendar for August 24th and 25th to attend the 20th annual Blackberry Arts Festival. Held in downtown Coos Bay, the festival offers arts and crafts, blackberry treats, entertainment, food, and much more! While you're downtown, drop by the local shops and enjoy a stroll on the boardwalk.

MUSIC IN MINGUS – Music on the Bay [MOB] will present concerts in the park every Wednesday at 7 p.m. during the month of September. Larry McCabe reported at this week's city council meeting that MOB recently received a \$7500 grant from the Ford Family Foundation which will help make the concerts possible. The concerts will take place on the stage [just below the pool facility] and everyone is invited to attend. In the event of rain, the concerts will be held at the Marshfield High School auditorium. As you will recall, last August MOB presented a free concert featuring Spyro Gyra.

OREGON'S GIFT TO THE NATION – The City of Coos Bay received an invitation from the Commission on Children and Families to provide ornaments for the "Oregon's Gift to the Nation". Oregon has been chosen to provide the nation's Capitol Holiday Tree for the first time. The tree will be chosen from the Umpqua National Forest and will

leave Oregon in early November. An additional 50 smaller trees from Oregon Tree farms will also be sent to Washington DC for Senate and House office buildings. Oregon will also send 4000 handcrafted ornaments to grace the Capitol Holiday Tree. The ornaments should be handcrafted, durable enough to be outside for one month, 8 – 12 inches, lightweight and ready to hang on the tree with an attached 12-inch wire hanger. Anyone interested in donating ornaments may contact the Commission on Children and Families office at 396-3121 ext. 392.

FORMATION OF SCINT SERVICES DISTRICT – Coos County Commissioners will hold a public hearing regarding the formation of the South Coast Interagency Narcotics Team Services District at 7 p.m. on August 12, 2002 in the council chambers at Coos Bay city hall. A public hearing will also be held on September 3rd in the Planning Conference Room, Coos County Annex, 290 N. Central Coquille. The purpose of the hearings is to consider the proposal to form this district. All interested persons are invited to attend the hearings.

LOC ISSUES MAJOR PRESS RELEASE ABOUT STATEWIDE FUNDING CRISES FACING OREGON CITIES – Two days ago the League of Oregon Cities (LOC) issued a major press release expressing concerns about the growing financial crises facing the state's municipal governments. Here below is the full text of that press release:

Cities across Oregon face increasing financial pressures that will impact their ability to provide municipal services, a new study commissioned by the League of Oregon Cities shows. Although the report made forecasts for the next decade, recent city budget decisions around the state indicate that the report's predictions are already proving true. The study, "Diminishing Returns: Oregon Cities' Struggle to Afford Basic Services", was undertaken by the consulting firm of Barney & Worth, Inc., with E.D. Hovee and Company. It was prepared for The City Center @ LOC, the League's research and information arm, with support from the Oregon City/County Management Association. Its focus was on city services such as police, fire, ambulance, parks, libraries, and planning that are considered "basic" services, and often funded through the property tax.

The results of the study demonstrate that Oregon cities will continue to find themselves under increasing financial pressure over the next decade. The main cause for this financial pressure is the constraint placed on one vitally-important municipal revenue source: the property tax. Property tax limitation measures approved by voters in the 1990s have curtailed what has been the traditional and dependable financial foundation for most cities. Cities in Oregon do not receive revenue from income taxes.

The study, says LOC President Lou Ogden, mayor of Tualatin, is intended to provoke local discussions about the future of Oregon's cities, and to remind city officials and their constituents that the problem is a statewide one. "The report shows that the fiscal problems facing our cities aren't limited to urban or rural communities: they're becoming a reality in all of our communities," Mayor Ogden said. "We need to talk about what our communities will be like at the end of this decade if this situation doesn't change. Will our residents and businesses be satisfied with fewer or lower quality services, because that's what they are willing to pay for? What other effects – like diminished income tax revenue to the state, or increased insurance costs for homeowners - might a change in city service levels have?" "And, if we want to make sure that Oregon cities maintain the service levels and the community livability we take for granted - what can we do to make it happen?" Mayor Ogden asked.

The consultants, through analysis of key financial data in seven cities over a 10-year period and a statewide survey involving more than 100 cities, determined that the financial condition of most Oregon cities deteriorated in the latter half of the 1990s, despite a generally strong economy. Financial pressure on Oregon Cities. This report says the situation will worsen in the coming decade.

Cities all across Oregon - metro, rural, large, small, growing, stable – can expect to be impacted in these ways:

- * Property tax revenues - the foundation for most city budgets - are limited and are not keeping up with inflation or population growth, often resulting in cuts to local services.

- * A growing number of cities will be affected in the next decade by "compression," bumping up against the Constitutional property tax rate limit, unable to collect even voter-approved taxes. Some cities will be facing an actual decline in property values.

- * The future of the second-largest source of city general fund revenues - utility franchise fees - is clouded by uncertainty involving legal challenges and new technology.

* The forecast is pessimistic for many other possible replacement revenue options - business tax, transient lodging tax, gas tax and state-shared liquor revenues - due to a declining economy and the state budget shortfall.

* Continuing increases in expenditure requirements such as PERS, health and other insurance and collective bargaining binding arbitration awards.

Although the study made no predictions about the timing of a decline in cities' ability to provide services, recent reports of budget deliberations indicate that many cities are already facing significant difficulties. For example:

* Astoria's budget committee proposed to reduce city hall hours, cut capital equipment for police, delete 90% of recreation programs and sport field maintenance, and reduce library hours. (Daily Astorian, 4/4/02)

* Despite population and property value growth, the level of some city services in Bend has declined since 1991 because of property tax limitations and higher labor costs. The city may have to consider other program reductions this year. (Bend Bulletin 7/8/02)

* Gresham's budget proposal called for \$216,000 in cuts in the police department and a \$272,000 cut in the fire department to partially offset the \$2.1 million loss in property taxes caused by the closure of Fujitsu, Gresham's largest employer. A \$2.7 million shortfall is projected for 2003-04, even with scaled-back services. (The Oregonian, 3/22/02)

* Corvallis made some \$600,000 in service reductions, including the loss of a school resource officer and closing the police records department on Mondays. (Corvallis Gazette-Times, 6/4/02)

* Hermiston's mayor promises that the library won't be closed, but the city is banking on voter approval of its library becoming part of a regional library district; otherwise cuts are inevitable. The city's general fund budget for 2002-03 is 2% below what expenditures were three years ago. (East Oregonian, 3/30/02 and 5/7/02)

* Coos Bay reported cost increases of \$500,000 resulting from labor negotiations, while state gas tax and 911 revenues will decrease by \$245,000 and other revenues are not keeping up with inflation. (Coos Bay World, 3/20/02)

In addition to the ongoing collection of financial information from cities, The League plans to resurvey cities to determine how they will fare financially in 2002-03, compared with 2001-02 and previous years. LOC also plans to make presentation and analysis tools available to cities, allowing them to compare their local financial results with statewide averages, highlight areas of financial distress and share this information with their citizens.

CB COUNCIL ASKS LEAGUE FOR CONSOLIDATED CITY BUDGET ANALYSIS – In a move measured to help address questions about the likely financial effects of a consolidation City of Coos Bay - North Bend, Tuesday night the Coos Bay City Council acted unanimously to have the League of Oregon Cities undertake a study to show what a typical budget would look like for a typical Oregon city of 25,000 population. Should consolidation be approved by the voters of the two cities when given the opportunity to express themselves in May 2004, the population of the City of Coos Bay - North Bend would be about 25,000.

The committee advocating consolidation of Coos Bay and North Bend filed with the Coos County Clerk proposed first and third year operating budgets for the proposed City of Coos Bay - North Bend, as required by Oregon law. These budgets were prepared by North Bend Mayor John Briggs and Coos Bay Finance Director Janell K. Howard -- both Certified Public Accountants -- and Sidney Fannick. Mr. Fannick is a financial analyst assisting the consolidation committee. The North Bend City Council, North Bend staff and others have questioned the financial feasibility of consolidation, expressing doubts about budgets filed with the County Clerk.

The League of Oregon Cities (LOC) is a statewide association representing 238 of Oregon's 240 incorporated cities, including Coos Bay and North Bend. Its mission is "(t)o strengthen and support livable communities," and it does these by supporting Oregon cities with objective, technical support and professional services that respect the individual political autonomy of each of its member cities. As a neutral and objective resource, the League has indicated the ability to prepare a budget showing typical services and funding requirements for a typical Oregon city of 25,000 population. Cost for the service is just under \$5,000, and the City of Coos Bay agreed to pay for this work since North Bend declined

to share with the project's expense. A consultant will be used to assist in the analysis, with the League acting as contracting agent and delivering a final report in about five weeks.

Having the information available for review will provide an objective yardstick against which to measure the budget proposals submitted by the consolidation committee. The League's model budget, however, will not be a proposed budget for the City of Coos Bay - North Bend; that budget can only be produced by the budget committee and elected city council for the new city if and after city voters approve consolidation.

WASTEWATER EMERGENCY FUND FLIES OUT THE DOOR -- To plan for those unpredictable emergencies that come up each year as a result of aging lines and heavy rains, the City Council annually allocates \$75,000 funding to be spent specifically for the repair of failed sanitary sewer lines and storm water flooding issues. On a rotating basis, the repair work is typically done by local contractors who can respond quickly to the problems as they arise. Emergency repairs can be identified because of sink holes, overflows of the system on streets or in homes, or through the work of OMI, the city's wastewater maintenance contractor. OMI regularly cleans and televises the public system and recommends corrective measures prior to the need for some repairs becoming evident to the public.

To date, after only five weeks of the new fiscal year, over \$19,000 has been committed for emergency repairs, and an additional \$7,000 is estimated to be needed for other known emergencies. That means that over 35 percent of the emergency funds have been needed in less than 10 percent of the year. The emergencies have occurred in the Empire area, Englewood area and on South 10th Street. Staff is watching the trend closely. It may be that we'll have several months now with no emergency repairs, or this may be a precursor to increasing emergency needs.

ENERGY SAVINGS BEGIN AT CITY HALL -- City Staff is always looking for ways to decrease costs, and has been focusing some effort in the last year on electricity costs. One step taken is to remove approximately 400 lamps from light fixtures throughout City Hall. Local electrical vendors helped us determine that the removal of the lamps could provide an annual savings of over \$2,000 per year. We also won't be purchasing new lamps for awhile!

The maintenance and upgrades done to the multi-zone heating units and replacement of three heat pumps at City Hall should also see savings. Pacificorp paid for an energy audit at City Hall. The audit recommended certain steps to do with our heating and cooling units. That work is now complete. The report estimated \$8,600 in annual savings. These savings will accrue to our General Fund. The work was paid for out of the Repair/ Replacement fund. Total cost of the project was approximately \$41,000. Pacific Power and Light will rebate over \$19,000 of the expenditures.

CITY SELLS OLD BRUSH CUTTER - In May the City Council approved the purchase of a new (used) brush cutter to replace an old, undependable cutter. We purchased the new cutter for only \$20,700 (including shipping), and told the Council we would surplus the old cutter and ask State Surplus to auction it off. We hoped for maybe \$5,000. This week a check was received from state surplus for \$12,960. They had sold the old cutter for \$14,400, and after taking out their commission, they forwarded the balance to us. A great deal! The proceeds will be returned to the Repair/Replacement fund to be used by the City for other critical needs.

FARMERS' MARKET GROWS TO INCLUDE THE PEDWAY! - The Pedway project is not virtually complete (just working on final punchlist items!), and its first use is coming up. The Farmers' Market has had requests from Craft folks to be included, but all the spaces are full. The waiting list folks will begin displaying their wares at the Pedway starting next week, August 14! They'll be open from 9:00 am to 3:00 pm, the same hours as the Farmers' Market. The on-site contact will be Trish Miller, 269-9856. The Coos Bay Downtown Association is thrilled with the traffic that has been produced for downtown businesses because of the Farmers' Market. South Coast Office Supply reports that Wednesdays have become one of their best days. If you have questions about the Downtown Association, or the Crafter's annex-contact Chris Coles, 269-1544.