

# MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

January 27, 1997

The minutes of the proceedings of a work session of the City Council of the City of Coos Bay, Coos County, Oregon, in the Council Chambers at 5:00 p.m.

## Those Present

Those present were Mayor Joanne Verger, Councilors Jeff McKeown, Don Spangler, Kevin Stufflebean, and Judy Weeks. Councilor Cindi Miller was absent due to illness, and Councilor Joe Benetti was out of town. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, Finance Director Gail George, Community Services Director Bruce Meithof, Police Chief Marc Adams, Interim Fire Chief Mark Anderson, and Library Director Carol Ventgen. Members of the media were also present.

## WORK SESSION

Mayor Verger called the meeting to order and explained the purpose of the work session is to provide direction to the city manager in preparing the budget in light of Measure 47. The Mayor explained participation in the budget process begins when the budget is presented to the Budget Committee in April. Mayor Verger further explained that suggestions made by the Council will not necessarily be implemented in the budget and consensus of the Council will rule.

City Manager Bill Grile briefly reviewed the results of the work session on January 9th which included leasing of city property, reducing the cost of the building program and meeting with the Homebuilders Association about increasing fees, reducing the carryover balance, asking the police and fire unions to consider a cost of living freeze, reallocating room tax revenue to the general fund, privatization of certain maintenance services, collecting only part of the urban renewal funds, and making cuts in all departments. Mr. Grile reported he had discussed the building inspection program with the city of North Bend, and if possible both cities would prefer to keep the program. He noted a meeting with the Homebuilders Association was scheduled for February 6th, at which time the association would be asked to support going to the public for a vote to increase the fees. Mr. Grile commented on communication with the State legislature regarding backfilling the City for additional fees. He opined that the State would likely backfill cities rather than take back the building program.

Mr. Grile reported meeting with Chief Adams and the police association executive board regarding postponing salary increases for next year. He noted a meeting with the firefighters association has been scheduled for later in the week. Mr. Grile reported meeting with Steve Kridelbaugh, president of SWOCC, and the college is not interested in leasing the Empire Community Building. Mr. Grile explained the college has a bond to acquire a building and can either build or buy a building, but may not use the funds for leasing. He noted the bids for building a new facility would be opened Wednesday and if the Council was interested in reversing the decision not to sell the community building, he could meet with the college president. Mr. Grile reported continuing communication with employees through brown bag lunches.

Mr. Grile explained two scenarios had been prepared, a best case and a worse case, and noted that neither he, the finance director, nor the City Council could be held accountable for the specific

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numbers in the report. The scenarios have been prepared with what information is available and the legislature will be determining the allocations. Mr. Grile reported information from the County suggested that if the City does not levy all the urban renewal money, the uncollected money would go into an unsegregated account and be distributed to all other agencies. Mr. Grile explained the City's position was the County was in error and the funds could not be distributed to citizens who did not pay the taxes. The finance director contacted the County and after further discussion the County agreed with the City.

Mr. Grile reviewed scenario number one which has no capital outlay items included and shows the loss of 26 employees. Councilor Spangler inquired about the total shortfall and Mr. Grile said the City started with a shortfall. Mr. Grile explained no cost of living was included and the carryover would be reduced to \$200,000. Keeping the building program local was discussed and Councilor Spangler inquired why the City shouldn't take the lead on going to the voters. Mr. Grile commented the voters in Coos Bay supported Measure 47 and the City shouldn't look for ways around them. Mr. Grile reviewed the outside agency line items and noted this scenario cuts all support. He reviewed the contributions and suggested that tourism related items could possibly be supported from the hotel/motel tax fund. Councilor Weeks inquired about the amount for festival support and Mr. Grile explained the cost represents employee overtime during festivals such as the Fun Festival and Blackberry Arts Festival. There was discussion about expenses for maintenance on the art museum building and Mayor Verger commented the City may have a contractual obligation. The finance director noted the City pays \$15,500 for utilities and the \$6,000 collected for rent is turned back to the museum.

Mr. Grile reviewed the increases for police and fire unions, cutting Americans with Disabilities Act fund to \$10,000, not repaying the repair and replacement fund, and cutting positions in finance, parks, building maintenance, engineering, and police. He discussed meeting to discuss contracting out for landscape maintenance of the parks. Mr. Grile reported the fire and plumbing inspection program does not generate enough income to cover the program and the City needs to look at the possibility of charging for fire inspections. Mayor Verger commented the City had the authority to charge fees but had not been doing so. Mr. Grile confirmed the fees had not been charged and feels it would not be a good idea to begin charging now.

Councilor Spangler requested every cut be made in non-essential services such as the City News before employees are cut, and asked the city manager to approach employees about taking a salary reduction. Councilors Weeks and Stufflebean agreed with Councilor Spangler's suggestions. Councilor Weeks inquired if the City would be looking at retirement packages again and if the cost would be prohibitive. Mr. Grile responded there is a cost to the City as well as some legal issues to consider. The finance director commented the cost is high the first year with savings realized in the third and fourth years. Councilor Spangler suggested evaluating car allowances, sharing the swimming pools costs with the school district, cutting the awards line item, using the city attorney for negotiations, and looking at the deputy fire chief position. Mayor Verger inquired if Councilors had turned in a budget work sheet and Councilors Spangler and Stufflebean responded in the affirmative. Mayor Verger commented that everyone working for the City is valuable and the task before the City is very serious. Mayor Verger further explained the City simply does not have the funds to maintain status quo and some services will have to be cut, and that will include some employees as well. Mayor Verger explained the cuts can be looked at in many ways and everyone may not be in agreement on what should be cut. She noted in her work sheet she suggested the raises

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to police and fire be left in and the cost be taken from their budgets. The Mayor also suggested the building permit program go back to the State, although it would not be as efficient at the State level. She did not believe the voters would approve fee increases, however, the program should pay for itself. Mayor Verger suggested levying all the urban renewal because of talk around the capital that the program may be ended, the carryover should not go below \$200,000, and favored leasing the Empire Community Building rather than selling.

Mayor Verger invited comments from the Council. Councilor Weeks inquired about the value of the Empire Community Building and Mr. Grile said it would need to be appraised. Councilor Spangler asked if the City knew they would receive \$200,000 from urban renewal and explained he had spoken with the County and was told the City would only receive \$15,000. The city manager said he did not agree with the information from the County and reminded the Council the budget figures were best guess estimates. Councilor Spangler said he agreed that all of the urban renewal should be levied. Councilor McKeown commented the general concept is that the City will do what is best for the citizens of Coos Bay considering the big picture, and that may not always be pleasant. Councilor McKeown recommended leasing the Empire Community Building, asking employees for their input, leaving urban renewal levy at current rate, cutting costs where possible, and everyone sharing in the cuts. He commented it is important for the City to communicate with the community as with the City News, but there may be ways to reduce the cost or other ways to get the information out. Councilor McKeown said he was in favor of keeping the building program but it shouldn't lose money for the City, and supported keeping the swimming pool open.

Mayor Verger agreed with keeping the pool open for the children and suggested approaching the school district about supporting half of the art education program. She also recommended breaking down the services of the codes department and only giving back to the State those sections that are losing money for the City. Councilor Stufflebean suggested negotiating with the city of North Bend to take over the plumbing and electrical inspections. Mr. Grile commented there is a possibility of privatizing building codes with a local firm. Mayor Verger noted that this could be an opportunity for current employees to provide the service. Mr. Grile said he had been approached by an employee about this matter, and that notice has been sent to the union about contracting out this service. Councilor Spangler asked if the City had considered collecting our own fines for speeding, etc. and mentioned he had talked with the city of Port Orford and they indicated they make money. The finance director replied the City would need to set up municipal court and currently the City receives half the fines without the expense of court.

Councilor Weeks recommended keeping the management fee for the pool, not drawing the carryover below \$200,000, leaving urban renewal at current rate, cutting outside funding, and exhausting all avenues before cutting employees. Councilor Weeks commented police and fire are vital for the city and it is not fair to ask them not to take their raises, and she did not support contracting out parks maintenance. Mayor Verger commented that parks are important and the contracting out would be for maintenance that does not require as much skill. She commented it is important that all options be looked into. Finance Director Gail George explained the scenario is not a budget and the purpose of the scenario is to give an idea of what kind of cuts could be made. Mayor Verger noted the City may have a contractual obligation for the art museum. Councilor Stufflebean said he was not in favor of contracting out. Councilor Weeks noted that accepting proposals does not commit the City to contracting out. Mayor Verger commented the citizens have voted and the City must now implement Measure 47. Councilor Spangler commented the City

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should make a policy to either privatize everything or be an employee city, and noted with the dollar savings the City also loses control.

Mr. Grile reviewed a list of union positions created and a list of management positions that have been eliminated. He reported the proposed bargaining unit cuts in the best case scenario are shy of the management positions that have been eliminated. He further stated the City is not administratively bloated and he has been told to keep people with experience around him. Mr. Grile reported management positions have been carefully reviewed and he does not feel there are positions that can be cut, although the deputy fire chief position is still under consideration. Councilor McKeown commented he is not in a position to tell department heads who should be cut. He further commented the City should be as cost effective as possible and layoffs should come from the budget officer. Councilor Weeks requested Mr. Grile show a scenario with management positions being cut and stated that cuts shouldn't only be union people.

Councilor Spangler asked that the city manager justify budget cuts. Mr. Grile said he is prepared to do that and staff will do the best they can with the dollars they are given. Mr. Grile said he would review the contract with the art museum, look for other tenants for the Empire Lakes Community Building, leave the urban renewal levy as is, put the art education program at a 50-50 partnership with the school district, and continue funding for the swimming. Councilor Stufflebean commented he would not give away money and then lay off an employee. Mayor Verger said there is a strong chance the school district would not put up their \$12,000 and Council could decide then whether to support the program. Councilor Spangler agreed with the Council on the art education program and asked if the school did not match the City, would the program die. Mayor Verger commented it was likely the schools would be backfilled by the state. Mr. Grile said he would speak with Dr. Parker about the program. Mr. Grile asked Council consensus on the police and fire increases. Councilor Stufflebean asked what the percentage was and the finance director responded it was 5 percent for the police and 6 percent for the fire. Council suggested the city manager continue to talk with police and fire unions. Mr. Grile thanked the Council for the work sessions and commented the meetings were very productive.

### **Adjournment**

There being no further business to come before the Council, Mayor Verger adjourned the meeting to February 4, 1997 at 7:00 p.m. in the Council Chambers of City Hall.

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Joanne Verger  
Mayor of the City of Coos Bay  
Coos County, Oregon

ATTEST:

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Joyce Jansen  
Deputy Recorder of the City of Coos Bay  
Coos County, Oregon