

**COTTAGE GROVE CITY COUNCIL  
MEETING MINUTES  
JUNE 12, 2023**

**CALL TO ORDER**

Mayor Solesbee called the meeting to order at 7:00 pm in the Council Chambers at City Hall.

**ROLL CALL**

Assistant to the City Manager Jake Boone called the roll. The following were

PRESENT IN THE COUNCIL CHAMBERS: Mayor Candace Solesbee and Councilors Alex Dreher, Greg Ervin, Mike Fleck, Dana Merryday, Chalice Savage and Jon Stinnett

PRESENT VIA GOTOMEETING:

COUNCIL ABSENT:

YOUTH REPRESENTATIVE: Camila Soto-Cruz

STAFF PRESENT IN THE COUNCIL CHAMBERS: City Manager Richard Meyers, Assistant to the City Manager Jake Boone, Public Works & Development Director Faye Stewart, Finance Director Roberta Likens, Police Captain Shawn Marsh, City Planner Eric Mongan and Assistant Planner Allison Crow

STAFF PRESENT VIA GOTOMEETING: City Recorder Mindy Roberts

CITY ATTORNEY:

MEDIA PRESENT: KNND

**ITEMS ADDED TO THE AGENDA**

None

## **APPEARANCE OF INTERESTED CITIZENS FOR ITEMS NOT ON THE AGENDA**

Mayor Solesbee reminded community members to be respectful to each other and that there should not be outbursts, positive or negative.

Venice Mason 28 S. 6<sup>th</sup> Street Unit 3, Cottage Grove, Oregon expressed concern about hate groups, extremism and bias. She asked Council to create an anti-hate policy and to support Pride Month.

Bill Christiansen 1337 Elm Avenue, Cottage Grove, Oregon read a police report from an incident that happened at the Community Center and a letter of trespass given to one of his friends involved in the situation. He said everyone at their meetings adheres to the Code of Conduct except three people and he disagrees with the trespass orders.

Duane Taddei 77561 Hwy 99, Cottage Grove, Oregon expressed concern about the Public Building Use Code of Conduct, an incident at the Community Center and trespass letters that were issued.

Patrick Cartwright 2145 South R Street, Cottage Grove, Oregon presented Council with aerial photos of the homeless camps and expressed concern about fire safety and trash.

Mike Borke 310 N Douglas, Cottage Grove, Oregon expressed concern about the homeless camps, grey water, trash, lack of enforcement and long term plans.

## **PUBLIC HEARING**

None

## **CONSENT AGENDA**

- (a) Approval of May 5, 2023 Agenda Session Minutes
- (b) Approval of May 6, 2023 Work Session Minutes
- (c) Approval of May 8, 2023 City Council Meeting Minutes
- (d) Approval of May 19, 2023 Agenda Session Minutes
- (e) Change of Ownership, Limited On-Premises Liquor License for RTLTD LLC, dba Great Western Pub, 802 E. Whiteaker Avenue
- (f) Liquor License Renewals

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR SAVAGE TO APPROVE THE CONSENT AGENDA.**

Mayor Solesbee called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

Mayor Solesbee announced motion carried.

### RESOLUTIONS AND ORDINANCES

(a) A Resolution Adopting the FCS Group Utility Rate Adjustments to the Adopted Five Year Utility Rate Financial Plan

Public Works and Development Director Faye Stewart presented Council with the adoption history of the FCS Group’s Five Year Utility Rate Financial Plan. He said due to increased labor and materials costs, the City asked FCS Group to perform a review of the revenue and expenses in the City’s Utility Fund. He introduced John Ghilarducci and Zech Hazel from the FCS Group to share their analysis, recommendations and answer questions.

John Ghilarducci and Zech Hazel presented a slide deck (Exhibit A) that contained data, analysis and projections that they used to evaluate the City’s utility operating and capital costs.

Councilor Ervin asked for more detail about the increase in operating costs.

John Ghilarducci said the projections made in 2021 were approximately \$200,000 less than what is being seen for fiscal year 2024. He said they did not evaluate line by line because the overall inflationary impacts are substantially higher.

Public Works and Development Director Faye Stewart elaborated on the increase in operating expenses that the City has experienced.

Councilor Ervin said there is no history of rates dropping and asked what the City’s strategy is if prices drop and we acquire a significant surplus in the fund.

Public Works and Development Director indicated that the rate studies are done every five years. He said if we experience that the revenue outpaces the expenses, the FCS Group’s recommendations would be different.

John Ghilarducci said that the try to be conservative and not assume that the same high rates of inflation are going to continue.

Mayor Solesbee said she noticed that Eugene is lower than Cottage Grove and asked if they are seeing a rate increase similar to ours.

John Ghilarducci said the FCS Group does not work for the City of Eugene and he does not know what increases that they may be experiencing. He added that as a much larger city they have a bigger customer base to spread the fixed costs around.

Councilor Dreher said it is troubling to see how much inflation is affecting the rates. She added that rates are for current operating costs and projected future costs. She said we need to make these incremental changes so there is not a spiked increase for the community or a moratorium on new connections to the existing systems.

Councilor Merryday said he agrees with the consultants that Eugene costs are spread over a much larger customer base.

Councilor Fleck said losing large water users can also impact the rates. He added that paying off a loan would be an opportunity for the water bill to go down although the next improvement is often needed at the same time.

Mayor Solesbee asked if there was any further questions or comments.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR SAVAGE TO ADOPT RESOLUTION NO. 2099.**

Mayor Solesbee announced the motion with a second and called for further discussion. See none she called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

Mayor Solesbee announced the resolution is adopted.

(b) An Ordinance Amending Chapter 3.10 Multiple-Unit Property Tax Exemption Program of the Cottage Grove Municipal Code

City Planner Eric Mongan presented background information regarding the history of the MUPTE program and the proposed amendments based on Council’s direction. He addressed questions from Council that were brought to him over the past week including; what options

other cities are including in their MUPTE, valuations on tax abatements for the larger projects, and methodology used in the 2018 Housing Needs Analysis.

Bruce Kelsh 78340 Halderman Road, Cottage Grove, Oregon spoke in support of a LIRHPTE program and encouraged Council to continue pursuing options for affordable housing to be developed.

Mayor Solesbee asked if there were any further questions or discussion.

Councilor Savage spoke in support of the ordinance and also pursuing a LIRHPTE. She asked what the City's AMI is and how much 60% would be.

Youth Representative excused herself at 8:02 pm

There was open discussion as to the percentage of AMI.

Councilor Savage asked if there is an estimated time for being able to discuss the LIRHPTE.

City Planner said his goal is the fall of this year.

Councilor Ervin asked about the restrictions in our tax abatement program in comparison to other cities and if they have an affordability option.

City Planner responded with the requirements in the City of Newport and added that it is hard to compare based on the nature of their location.

Councilor Ervin said he would be interested in feedback from developers.

City Planner discussed various properties and the associated costs and burdens for developers.

Councilor Dreher said this is an improvement on the previous MUPTE which only required one public benefit to now requiring three or more public benefits and the option of choosing a regulated affordable housing component.

Councilor Merryday said the option for the developer to choose that 25% percent of the units meet 60% AMI is not going to work in the fashion that we hope. He said his fear is that we will not get any affordable housing because of the way it is worded and he would like to lower the percentage of units or have a tiered approach to the AMI percentage.

Councilor Stinnett said he does not see how a developer could build anything less than market rate without some sort of subsidy or help from an agency or a program like a LIRHPTE. He said he does not see the MUPTE making an impression in affordable housing and he is looking forward to pursuing the LIRHPTE.

Councilor Fleck said that he also wants to see more affordable housing developed. He expressed concern that if the MUPTE is too restrictive we will get zero development and that the MUPTE is a good first step.

City Planner mentioned that the City of Corvallis has a two prong approach in their MUPTE program. He explained that it requires, if the developer does not want to have an affordable regulated housing in their development, they pay 10% of the abated amount each year into an affordable housing trust.

Public Works and Development Director Faye Stewart shared that the Median Household Income for Cottage Grove is \$52,994, the City of Creswell is \$78,974, the average for Lane County is \$58,636 and the average Statewide is \$70,884. He said 60% AMI for Cottage Grove would be \$31,796 according to the last Census data.

Councilor Ervin suggested that Council consider revisions. He said he does not support any restrictions on the MUPTE and that the LIRHPTE should be explored as the avenue for affordability.

Councilor Dreher said that Council seemed to agree in previous discussions to increase the number of required public benefit from one to three. She said she would like to pass the ordinance without any affordable housing component.

Councilor Ervin suggested that there is only one public benefit and it goes to street funding.

City Planner replied that he does not believe that could be an option and said he would have to consult legal counsel.

Councilor Fleck expressed concern that Council is not giving clear direction to Staff.

Councilor Merryday clarified that he does not want more restrictions, he said he wants an option for affordability that might actually be used.

Councilor Stinnett said that he can support it as written.

Councilor Fleck recommended that Council form a subcommittee if they cannot build consensus.

Councilor Savage asked if this could be passed tonight and have a subcommittee.

Councilor Merryday said he could support the ordinance if the required affordability was lowered from 25% to 10%.

There was open discussion about forming a subcommittee.

Councilor Dreher said she would like to see Council vote on the ordinance as written and form a subcommittee.

**IT WAS MOVED BY COUNCILOR DREHER AND SECONDED BY COUNCILOR SAVAGE TO ADOPT ORDINANCE NO. 3173**

Mayor Solesbee announced the motion with a second.

Councilor Savage asked if the motion is included a subcommittee for recommendation.

Councilor Fleck said the subcommittee can be made with a consensus.

Mayor Solesbee called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X		X		X	X	
NAYS		X		X			X
ABSTAIN							

Mayor Solesbee announced motion carried.

City Manager clarified that because the vote was not unanimous, Council must hold a second vote.

**BUSINESS FROM THE CITY COUNCIL**

- (a) City Council Initiation of Main Street Legalization Proceedings to Determine Street Width for the Main Street Revitalization Project

Public Works and Development Director presented background information to Council regarding the need to complete an “Evidence of Good Title” supporting City ownership of the 65’ Main Street right-of-way, in order to meet the EDA funding conditions. He said Staff, Branch Engineering and Cascade Title have researched records and found recorded maps, pictures and property legal descriptions dating to the 1800’s documenting the established 65’ right-of way although a recorded document has not been located. He said Legal Counsel recommends the city rely upon ORS 223.935 authorizing the City Council to initiate the process to confirm establishment of the public road.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR ERVIN THAT CITY COUNCIL INITIATE THE PUBLIC ROAD LEGALIZATION PROCESS FOR THE WIDTH OF MAIN STREET WITHIN THE EDA APPROVED MAIN STREET REVITALIZATION PROJECT PURSUANT TO ORS 223.935(1) AND**

**(3), AND DIRECT STAFF TO UNDERTAKE ALL APPLICABLE STATUTORY PROCEDURES.**

Mayor Solesbee announced the motion with a second and called for discussion.

Councilor Stinnett said he is support of the motion and asked if we foresee this affecting the use of our street later on.

Public Works and Development Director Faye Stewart said although a recorded document was not located, there were multiple historical documents showing evidence of the 65’ width and prescriptive rights.

City Manager Richard Meyers said there could possibly be other streets of the same age, that these documents were not filed. He said this is not uncommon and that is the reason for the State Statute.

Mayor Solesbee called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

(b) Approval of Loan for Purchase of Two (2) 2023 Ford Explorer – Police Vehicles

Finance Director Roberta Likens presented information to Council in order for them to consider financing options for two new police vehicles. She indicated that the Police Department budgeted for the vehicles in fiscal year 2022-23 and she outlined the three financing options.

**IT WAS MOVED BY COUNCILOR ERVIN AND SECONDED BY COUNCILOR FLECK TO AUTHORIZE THE CITY MANAGER TO ACCEPT THE FINANCING PROPOSAL AND TO EXECUTE ANY NEEDED DOCUMENTS TO PERFECT THE AGREEMENT WITH US BANK GOVERNMENT LEASING AND FINANCE, INC. AS THE MOST COST EFFECTIVE FOR THE CITY TO PURCHASE TWO 2023 FORD EXPLORER POLICE VEHICLES, UP-FITTED FOR POLICE USE.**

Mayor Solesbee announced the motion with a second and called for discussion.

Councilor Savage repeated the response to the comment she asked at Agenda session regarding the high cost of maintenance and care of a used vehicle in comparison to buying new vehicles.



Mayor Solesbee called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

Mayor Solesbee announced motion carried.

(c) Historic Preservation Commission Appointments

City Planner Eric Mongan asked Councilor Stinnett if he would like to make the recommended appointments.

Councilor Stinnett thanked all of the applicants and said it was his pleasure to recommendations on behalf of the committee.

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR ERVIN THAT CITY COUNCIL APPOINT DEBBIE MONSIVE TO THE TERM OF JUNE 12 TO DECEMBER 31, 2023 TO THE HISTORIC PRESERVATION COMMISSION AND STEVE KLEINER TO A TERM ENDING DECEMBER 31, 2026 AND RICH HAZELTINE TO A TERM ENDING DECEMBER 31, 2026.**

Mayor Solesbee announced the motion with a second and called for discussion.

Councilor Merryday completed Mr. Hazeltine for the loving care he has put into the Veach House restoration.

Mayor Solesbee called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

Mayor Solesbee announced motion carried.

(d) Concern from Council

Councilor Fleck said he is frustrated with what is going on in our City and Country. He said that he did not behave as well as he could of earlier this evening and he apologized to Mr. Taddei for his comments. He added that he agrees that people have the right to protest but we need to get respect back in our dialogue and all of us can do better.

Councilor Savage said to keep things fair, she urges that all citizens who are making comments be held to five minutes or Council should consider extending it. She mentioned after listening to the KNND Beeper program that she visited the homeless camps to see what callers were talking about. She shared stories about some of the situations that the homeless are experiencing and said that she did see some violations and was assured that they were being addressed by City Staff. She encouraged people to support Pride Month and recognize that people believe differently.

Councilor Dreher said that she recently provided her comments to FEMA regarding the flood plain maps and that she is hopeful the senate republicans will end their walkout.

Councilor Ervin mentioned an RV that caught fire in a residential neighborhood. He said the RV was one that parked on the street and moved every 72 hours and added that he would like to revisit the ordinance that allows it.

Mayor Solesbee said that she has been receiving calls from constituents in the area of the N. Douglas homeless camp. She said there is a rat problem and we need to be sympathetic to the residents in that neighborhood. She said that she has a meeting with the Forest Service and they indicated that there was a large timber sale in the area of Sharps Creek and road closures may affect Bohemia Mining Days.

Councilor Merryday mentioned his attendance of the Lane Workforce meeting and training. He said each month they discuss ways to support businesses that need workers and prepare workers to enter the workforce. He added that he is looking forward to visiting the Spark at the Booth-Kelly Center in Springfield.

### **BUSINESS FROM THE CITY MANAGER**

(a) Report from City Manager

City Manager Richard Meyers introduced Fuji, the Police Department's newest comfort K-9.

### **BUSINESS FROM CITY ATTORNEY**

(a) Report from City Attorney

None.

**EXECUTIVE SESSION**

Mayor Solesbee recessed the meeting at 9:18 pm to enter into Executive Session.

Council reconvened at 9:56 pm.

**IT WAS MOVED BY COUNCILOR ERVIN AND SECONDED BY COUNCILOR FLECK TO AUTHORIZE THE CITY MANAGER TO PREPARE THE DOCUMENTS IN PREPARATION FOR THE PURCHASE OF GRACE WEST’S CLEVELAND STREET PROPERTIES.**

Mayor Solesbee announced the motion with a second and called for discussion. Seeing none she called the vote.

The vote on the motion was as follows:

VOTE	Councilor Dreher	Councilor Ervin	Councilor Fleck	Councilor Merryday	Councilor Savage	Councilor Stinnett	Mayor Solesbee
AYES	X	X	X	X	X	X	X
NAYS							
ABSTAIN							

Mayor Solesbee announced motion carried.

Assistant to the City Manager Jake Boone offered Council the opportunity to review the video of the Community Center incident and discuss the trespass orders.

**ADJOURNMENT**

There being no further business, Mayor Solesbee adjourned the regular meeting of the City Council at 9:58 pm.

The next regular City Council Meeting will be held June 26, 2023 at 7:00 pm in the Council Chambers at City Hall.

\_\_\_\_\_  
Mindy Roberts, City Recorder

\_\_\_\_\_  
Candace Solesbee, Mayor

# City of Cottage Grove Rates Update



Presented to the Cottage Grove  
City Council

Monday, June 12, 2023

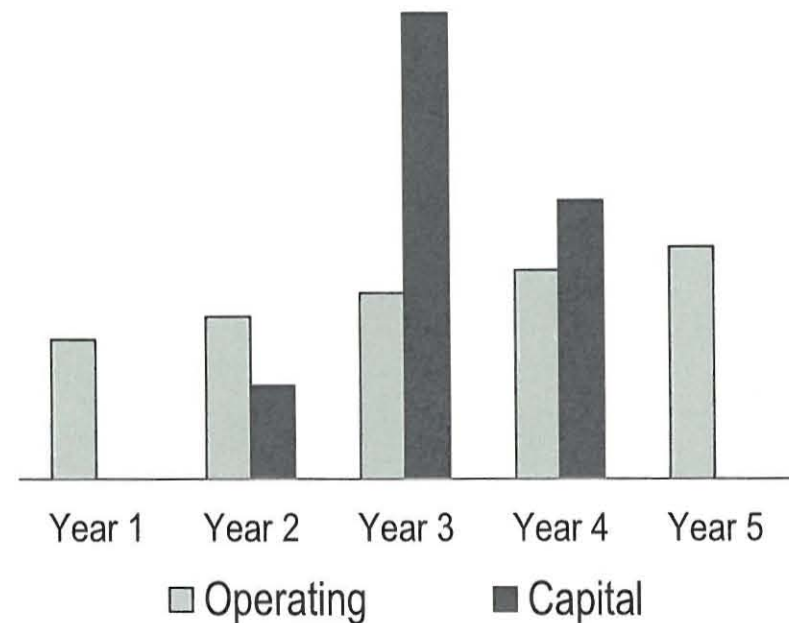
Prepared by FCS GROUP





# Introduction to Utility Ratemaking

- **Utility rates are set to recover the cost of providing service.**
- **Utilities incur two primary types of costs:**
  - » Operating costs (regular / ongoing)
    - Employee salaries and benefits
    - Power and chemicals
    - Asset repair and maintenance
  - » Capital costs (irregular / periodic)
    - Infrastructure replacement
    - Facility expansions and upgrades





# What Should Rates Do?

- **Generate sufficient revenues to sustain the utility system**
- **Charge for cost of services provided**
- **Recover costs equitably**
- **Achieve City objectives**
  - » Conservation
  - » Revenue stability
  - » Maintain minimum fund balances and meet other fiscal policies



# Key Assumptions

## Annual Cost Inflation

- Salaries, benefits, and other operating costs: 5.83% in FY 2024, 2.40% afterwards
- Construction cost: 6.52% in FY 2024, 3.00% afterwards

## Annual Growth Rates

- Customer Growth Rate: 0.90%

## Operating Forecast

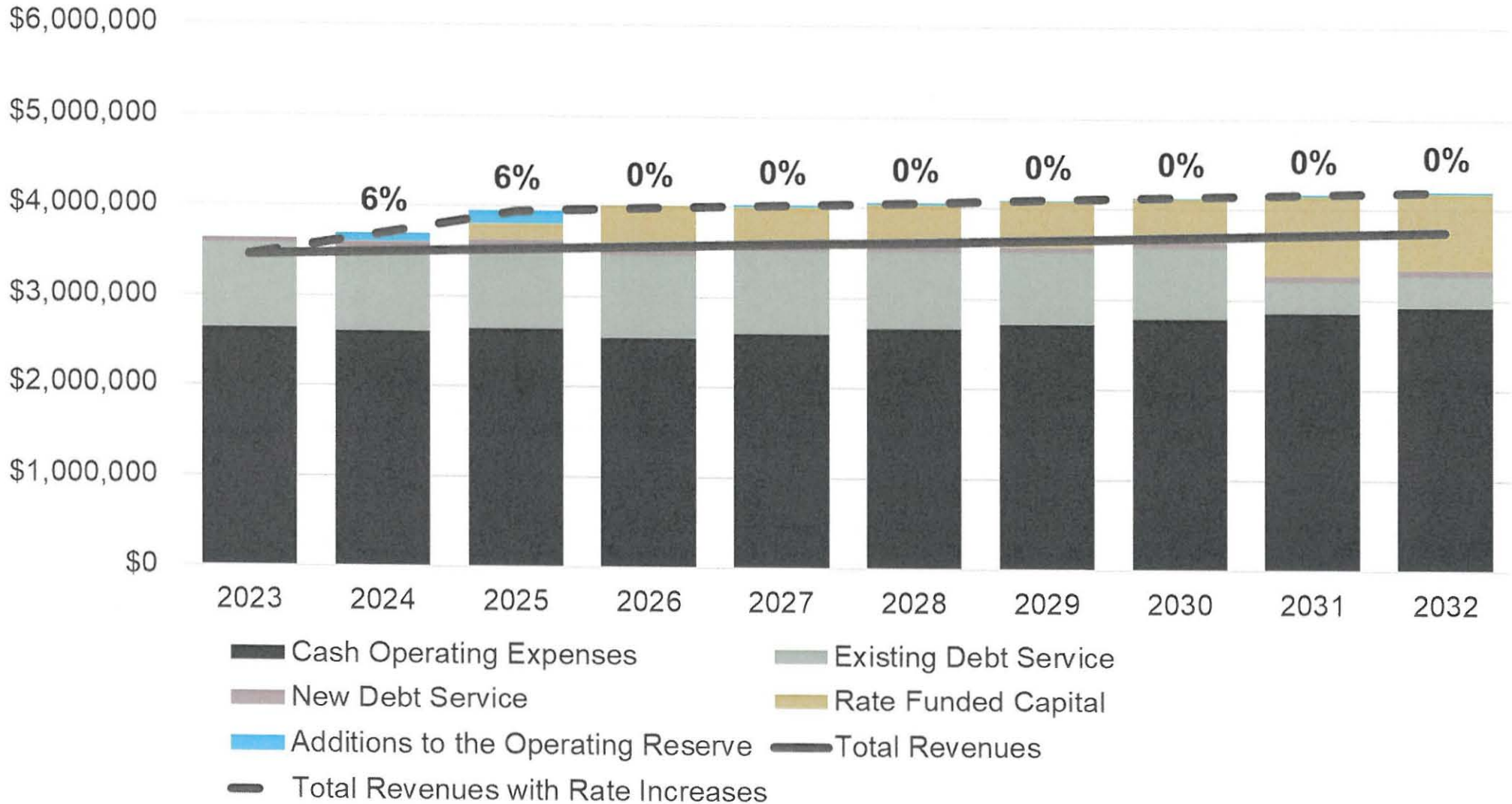
- Rate revenues and operating costs based on FY 2023 Budget
  - Adjusted for inflation in future years

## Financial Policies

- Min. Fund Balance Target: 45 days of O&M for wastewater and stormwater, 90 days for water
- Capital Contingency Reserve: \$50k for water and wastewater, \$100k for stormwater



# Water Results







# Sample Water Bill

Sample Water Bill (Single Family Residence)				
	FY 2023		FY 2024	
Fixed Charge	\$	17.98	\$	19.06
System Improvement Surcharge		25.70		27.24
Volume Charge (8,000 gallons)		12.02		12.74
<b>Total</b>	\$	55.70	\$	59.04

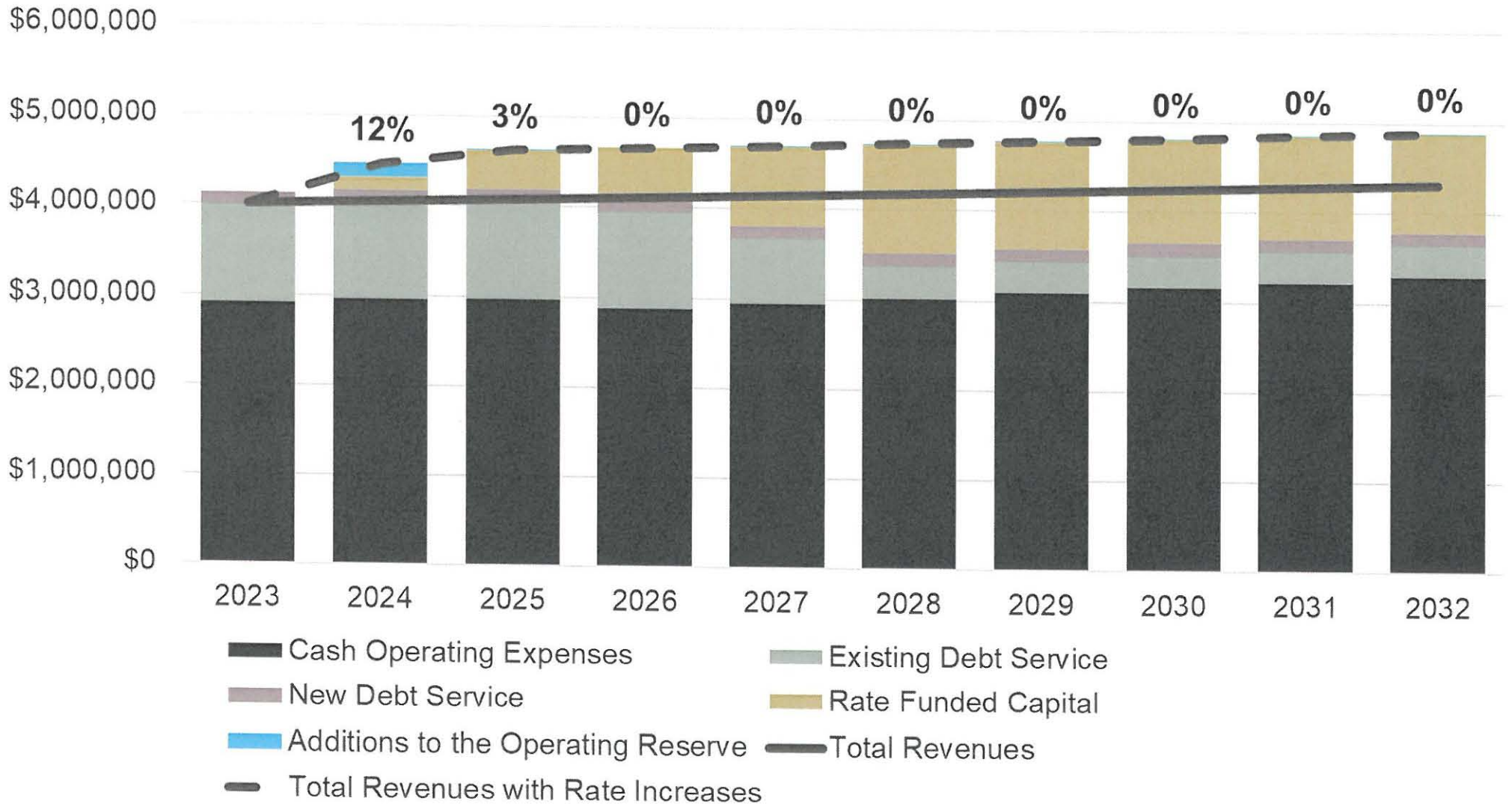


# Water Rate Comparisons

City	Sample Water Bill (8,000 gallons )
Coburg	\$66.14
<b>Cottage Grove (Proposed)</b>	<b>\$59.04</b>
<b>Cottage Grove (Current)</b>	<b>\$55.70</b>
Veneta	\$51.40
Junction City	\$45.89
Corvallis	\$42.47
Harrisburg	\$40.66
Eugene	\$34.60



# Wastewater Results





# Sample Wastewater Bill

Sample Wastewater Bill (Single Family Residence)				
	FY 2023		FY 2024	
Fixed Charge	\$	11.38	\$	12.75
System Improvement Surcharge		26.75		29.96
Volume Charge (5,000 gallons)		29.25		32.76
<b>Total</b>	\$	67.38	\$	75.47

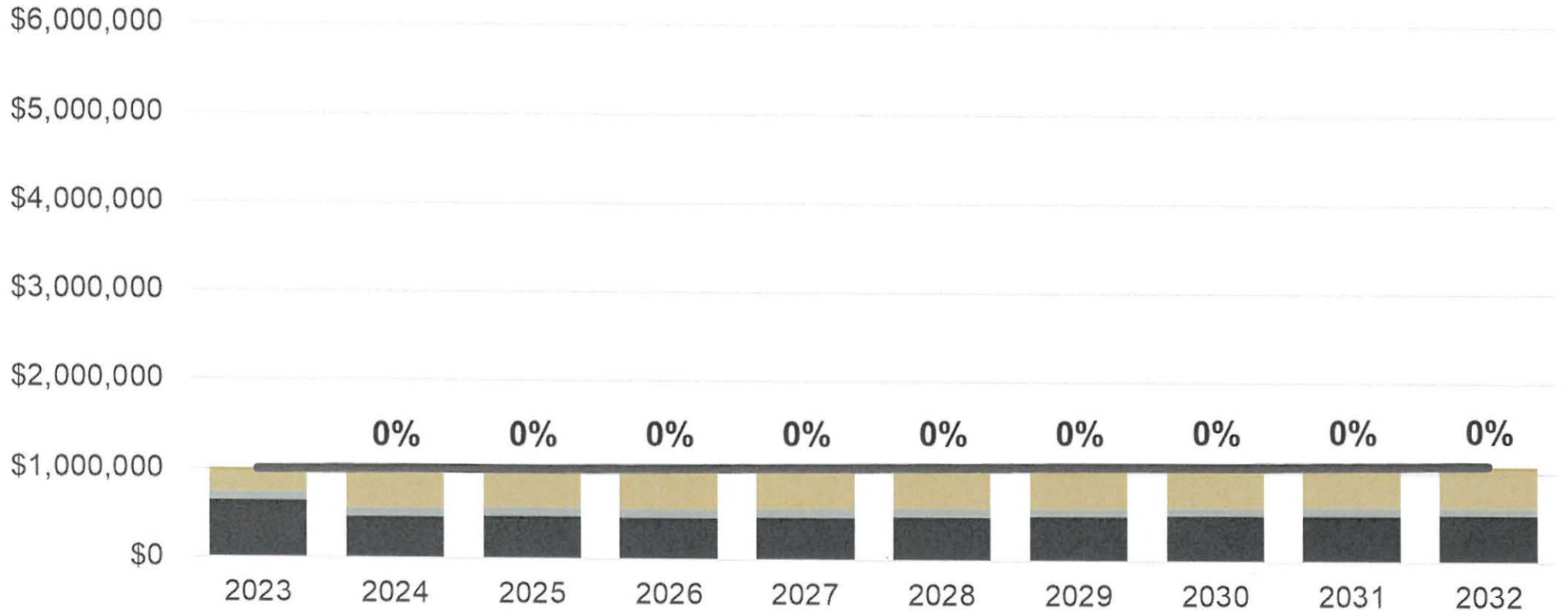


# Wastewater Rate Comparisons

City	Sample Wastewater Bill (5,000 gal)
Coburg	\$86.70
<b>Cottage Grove (Proposed)</b>	<b>\$75.47</b>
Harrisburg	\$73.93
<b>Cottage Grove (Current)</b>	<b>\$67.38</b>
Veneta	\$64.93
Junction City	\$54.23
Corvallis	\$45.47
Eugene	\$42.55



# Stormwater Results



- Cash Operating Expenses
- Existing Debt Service
- New Debt Service
- Rate Funded Capital
- Total Revenues
- Total Revenues with Rate Increases



# Sample Stormwater Bill

Sample Stormwater Bill (Single Family Residence)				
	FY 2023		FY 2024	
System User Monthly Fee	\$	4.94	\$	4.94
System Improvement Surcharge		7.53		7.53
<b>Total</b>	\$	12.47	\$	12.47



# Stormwater Rate Comparisons

City	Stormwater Rates (1 EDU)
Eugene	\$16.07
<b>Cottage Grove</b>	<b>\$12.47</b>
Corvallis	\$10.55
Harrisburg	\$3.67
Veneta	\$2.64
Junction City	\$0.00
Coburg	\$0.00



**Thank you!  
Questions?**

**John Ghilarducci – Principal**

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