

**CITY OF ASTORIA**

**CITY COUNCIL JOURNAL OF PROCEEDINGS**

City Council Chambers  
January 7, 2013

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:00 p.m.

Councilors Present: LaMear, Herzig, Warr, Mellin, Mayor Van Dusen

Councilors Excused: None

Staff Present: City Manager Benoit, Community Development Director Estes, Library Director Tucker, Interim Parks Director Moss, Fire Chief Ted Ames, Chief Curzon, City Attorney Henningsgaard and Finance Director Carlson. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

Mayor Van Dusen announced that Item 6(b): Ken Nelson 30 Year Service Pin will occur immediately following the Oaths of Office, making the presentation Item 2(d) on the Agenda.

**OATHS OF OFFICE**

**Item 2(a): Ward 2 Councilor Drew Herzig**

Mayor Van Dusen administered the Oath of Office to Councilor Drew Herzig, elected to a four-year term representing Ward 2.

**Item 2(b): Ward 4 Councilor Russ Warr**

Mayor Van Dusen administered the Oath of Office to Councilor Russ War, reelected to a four-year term representing Ward 4.

**Item 2(c): Fire Chief Ted Ames**

Mayor Van Dusen administered the Oath of Office to new Fire Chief Ted Ames.

Chief Ames thanked everyone for the vote of confidence, noting the Fire Department would do its best to keep the City of Astoria safe and prosperous.

**Item 2(d): Ken B. Nelson 30 Year Service Pin (Public Works)**

This agenda item was moved from Presentations Item 6(b) and addressed at this time.

Mayor Van Dusen noted that Mr. Nelson's first day of work for the City was July 1, 1982. He received a raise of \$6.26 per hour on January 7, 1983. Mayor Van Dusen presented a timeline of Mr. Nelson's career with the City, noting each position he has held over his 30-year career. Mr. Nelson currently serves as Public Works Superintendent. Mayor Van Dusen presented Mr. Nelson with his 30 year Service Pin. Mr. Nelson thanked City staff, City Council and the citizens for giving him the tools necessary to do his job successfully.

Mayor Van Dusen led the traditional "Hip, Hip, Hooray" for Councilors Herzig and Warr, Chief Ames and Ken Nelson.

Mayor Van Dusen continued to Changes to the Agenda at this time.

**REPORTS OF COUNCILORS:**

This agenda item was addressed immediately following Item 6(a) Financial Forecast.

**Item 3(a): Councilor Warr** expressed his appreciation to the citizens of Astoria for allowing him to serve on the City Council for another four-year term.

**Item 3(b):** Councilor Mellin reported that she attended the League of Oregon Cities training on government ethics in Oregon, which was very interesting and valuable.

**Item 3(c):** Councilor Herzig thanked those who attended the meeting to welcome him to the City Council. He especially appreciated the support and advice he received from Charles Schweigert. He announced he would be hosting a listening session at Astoria High School on January 8, 2013 at 7:00 p.m. He invited those in Ward 2 and the City to attend to discuss any issues or concerns. City Manager Benoit will attend as well. A candlelight walk through downtown Astoria on January 21, 2013 will be hosted by the Lower Columbia Diversity Project in honor of Martin Luther King Day. The walk will begin at 5:00 p.m. and will end with a soup dinner at Peace Lutheran's Fellowship Hall.

**Item 3(d):** Councilor LaMear stated that she and Councilor Herzig met with Parks and Recreation Director Moss and some Oregon State University (OSU) representatives to discuss the future of community gardens in Astoria. One goal is to expand the idea of community gardens to raise food for the food bank.

**Item 3(e):** Mayor Van Dusen reported that he and Councilors LaMear and Herzig greeted Senator Merkley, who did a very good job at the Town Hall Meeting.

City Manager Benoit announced that Council's annual goal setting session has been scheduled for Friday, January 25, 2013 at the Cannery Pier Hotel in the Second Floor Board Room.

City Council proceeded to the Consent Calendar at this time.

#### **CHANGES TO AGENDA:**

This agenda item was addressed immediately following Item 2(d).

No changes.

#### **PRESENTATIONS:**

##### **Item 6(a): Financial Forecast (General Fund) 2013 – 2014**

Finance Director Carlson presented a revenue and expense forecast via PowerPoint, focusing on the expenditures, factors, and changes projected to affect the General Fund for Fiscal Year 2013-2014. He explained that Finance Staff has been working on budget projections for the next three years in preparation for the upcoming budget committee meetings in April. No recommendations are being made at this time, but recommendations will come from the various City departments as they work within their individual budgets to address forecast. The forecast would be sent to the City Council and posted on the City website tomorrow. Staff's key comments and responses to clarifying questions from the Council were as follows:

- Finance Director Carlson clarified that the Public Employees Retirement System (PERS) cost will increase about 23 percent this year, resulting in an additional \$130,000 expense from the General Fund; other payroll costs outside the General Fund, such as Public Works and emergency communications, will increase by about \$113,000. Another PERS increase will occur in 2015 that is projected to be an additional 20 to 25 percent increase.
- Grant revenues are expected to decrease because the Community Oriented Policing Services (COPS) grant, a 3-year federal grant program the City has used to employ a school resource officer, expires at the end of the 2012-2013 fiscal year. The City begins paying for the position itself on the fourth year because the City's obligation will continue for one more year.
- Anticipated deficit projections, which are carried forward into the next fiscal year. If no action is taken to balance the budget, and revenues and expenditures remain as is, the General Fund balance will decrease from \$1.3 million to about \$300,000 in three years. The Finance Department will be taking action to balance this budget and maintain a healthy balance in the fund, which is \$1.1 million to \$1.3 million for a city the size of Astoria. The entire Staff is looking for ways to reduce expenditures, because the City has little control over revenues and additional revenue sources are not likely.
- City Manager Benoit assured he would not propose a budget that anticipates another \$200,000 drawdown on reserves. The challenge is the two drivers, personnel costs and property tax revenues, are difficult to

control. While a few revenue opportunities may exist, such as with fee schedules, the primary initiative will be finding efficiencies and cuts.

- The relationship between compression and property tax revenue is complicated. Essentially, property taxes are capped at a maximum rate of 15 percent within any taxing zone or district, so the County cannot have a 10 percent rate, as well as the City and urban renewal. When the tax rate rises above 15 percent, compression forces rates to decrease. This year, the City anticipates about \$50,000 in reduction due to compression.
- The League of Oregon Cities produced a succinct article that explains compression well. City Manager Benoit agreed to email the article to each member of Council.
- On non-school properties, the maximum tax that can be collected is \$15 per \$1,000 of assessed property value. In most communities, real market values are decreasing. When the real market values drops below the assessed value, the County will re-index the tax, generally on a property by property basis. As property values decline, some neighborhoods may have properties in compression; therefore less revenue is generated.
- Currently, Astoria collects about an \$8 per \$1,000 tax rate on assessed property value. Compression would likely prevent the City from raising that amount per \$1,000 rate.
- In the next fiscal year, the City will pay a total of about \$1.1 million for PERS contributions.
- Maintaining a healthy balance in the General Fund is important because the majority of property tax revenue is collected in November and the fiscal year begins July 1. A \$300,000 fund balance would not be sufficient funds to run the City from July through November, and would likely cause the City to obtain cash receipt loans.

Mayor Van Dusen called for comments or questions from the public.

Don Webb, 3555 Harrison Drive, Astoria, understood an 8 percent increase in sewer and water rates is anticipated. Mayor Van Dusen explained that Director Carlson's presentation regarded the General Fund, and confirmed that sewer and water are part of the Enterprise Fund.

The Council returned to Agenda Item 3, Reports of Councilors, at this time.

**Item 6(b): Ken B. Nelson 30 Year Service Pin (Public Works)**

This presentation was addressed following Item 2(c) of the agenda.

**CONSENT CALENDAR:**

The following items were submitted on the Consent Calendar, immediately following Item 3, Reports of Councilors.

**7(a) City Council Minutes 12/3/12**

7(b) Acceptance of Ready to Read Grant Funds (Library)

City Manager Benoit removed Item 7(a) City Council Minutes for correction because the required introductory remarks related to the Community Development Block Grant (CDBG) made at the meeting were not recorded into the minutes.

**City Council Action:** Motion made by Councilor Mellin, seconded by Councilor LaMear to approve the Consent Calendar Item 7(b). Motion carried unanimously. Ayes: Councilors LaMear, Mellin, Herzig, Warr and Mayor Van Dusen; Nays: None.

City Manager Benoit stated that the minutes of the December 3, 2012 meeting, Item 6(e) regarding submittal of a CDBG for renovation of the Astoria Senior Center, should be amended to include his introductory comments made at the December 3, 2012 meeting as follows:

- There is \$11 million available in the Community Development Block Grant program statewide in this fiscal year;
- The range of activities that can be funded include Senior Citizen Centers and other public community facilities, public infrastructure benefitting low and moderate income persons, microenterprise assistance, regional housing rehabilitation, and technical assistance.

The amount of funding proposed to be sought for the Astoria Senior Center is a grant not to exceed \$1.5 million and the renovation project will not result in the displacement of any individuals.

## REGULAR AGENDA ITEMS

### **Item 8(a): Public Safety Building Improvements Project – Pay Adjustment #3 (Police)**

The purpose of this change order is to account for work not covered in the bid items or revised following the bid process. This change order amount constitutes total compensation for the changes as listed in the enclosed memo. The contract completion date remains the same. An overall project budget contingency of 15% (\$200,000.00) was established to cover project needs in terms of changes related to additional services required, unforeseen conditions, scope changes/adds and owner driven changes. The contingency is part of the overall established budget, not an additional cost burden from City funds. The contingency will be utilized to fund the Change Order Requests (COR), as well as future CORS. The contingency total is \$200,000.00. If approved, Change Order #3 in the amount of \$64,355.00, will leave a balance of \$65,960.00. It is recommended that Council authorize Change Order #3 for the Public Safety Building Improvements Project.

City Manager Benoit noted the requested amount will be drawn from the contingency, which is entirely funded through the \$1.5 million State grant. The change does not involve any use of City funds.

Councilor Herzig asked if the driveway referred in COR #22 would serve as an entrance and exit, should the main driveway be blocked. He also inquired if the building was in a landslide zone and was that something the neighborhood should be aware of. Chief Curzon responded there was nothing the neighborhood should be aware of, though the department is concerned about maintaining access [inaudible 48:40] because it is a seismic area. He confirmed the referenced driveway would provide access for the fire department should the main driveway be blocked.

**City Council Action:** Motion made by Councilor Warr, seconded by Councilor LaMear to authorize Change Order #3 for the Public Safety Building Improvements Project. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Mellin, Herzig and Mayor Van Dusen; Nays: None.

Mayor Van Dusen commented that his personal business is right next door to the Public Safety Building and commended Chief Curzon for doing such a great job as project manager. The driveway will be a major improvement.

### **Item 8(b): Flavel Properties Lien Approval Resolutions (Community Development)**

The Flavel properties, located at 627 15th Street, 905 to 943 Commercial Street, and 904 to 936 Commercial Street, have been the subject of numerous Code enforcement actions since adoption of the Property Maintenance Code (Derelict Building Ordinance). All properties have been vacant for many years and are in a state of deterioration. The City has sent numerous enforcement letters to the property owner, Mary Louise Flavel, concerning the three properties. In July 2012, after exhausting all other options, the City abated some of the nuisances at the residence on 15th Street. The downtown commercial properties are in violation of the "long term vacant" ordinance and are subject to yearly Vacant Building fees and are augmented by the "chronic nuisance" provision of the ordinance, which doubles some of those fees. City expenses for the abatement work, vacant building fines, and administrative fees amounts to \$10,495.95 on the residence. Current fees on the two commercial buildings amount to \$6,600.00 on 904-936 Commercial and \$6,600.00 on 905-943 Commercial. The total amount owed on all three properties is \$23,695.95. The charges on these three properties have not been paid. Resolutions addressing the issues and authorizing recording of liens concerning the nuisances on these three properties are attached for Council consideration. The Resolutions have been reviewed and approved by City Attorney Blair Henningsgaard.

It is recommended that the City Council adopt the attached Resolutions, by three separate motions, to authorize the City Attorney to file a lien as follows:

1. 627 15th Street in the amount of \$10,495.95
2. 904-936 Commercial in the amount of \$6,600.00
3. 905-943 Commercial in the amount of \$6,600.00

Mayor Van Dusen asked why the fee amounts for two of the properties are exactly the same. Community Development Director Estes explained the penalties being assessed regarded the long term vacant portion of the Code, meaning if the building is not marketed or filled with a tenant within a certain timeframe, certain fees are assessed. The two properties in questions have been vacant for the same period of time, which is why their fees are exactly the same.

Councilor LaMear stated it seems many liens have been placed on these properties. She wanted to know what good placing liens have done and what the new liens meant. Director Estes replied the City is proceeding through the process afforded by the Derelict Building Ordinance. Being a residential property, the City had some Code provisions offering other possible ways to address the house. The City cannot use the Receivership Program on nonresidential downtown properties, but he has been working with City Attorney Henningsgaard to find other mechanisms to foreclose on those liens in the future in order to take some action. The liens must be recorded prior to taking any next steps.

Councilor LaMear said the process has been taking a long time, which is frustrating since Councilors have continually said that something needs to be done with the Flavel properties. Director Estes noted the Receivership Program could apply to the house, but the liens first needed to be recorded.

City Manager Benoit did not believe the City had any liens on the Flavel properties. He asked if the Code would allow the City to foreclose or take any other affirmative action on the properties. City Attorney Henningsgaard agreed the City does not currently have any liens against the properties and does not have a mechanism to force compliance. As a result of the liens, the City could foreclose on the liens and remove the Flavel's as owners of the properties to get a new owner who would fix up the properties.

Councilor LaMear noted people have attempted to purchase one of the properties in the past, but understood the purchase was impossible due to the amount of liens on the property. City Attorney Henningsgaard stated there was a tax foreclosure on the commercial properties, which were sold at the tax foreclosure sale; however, the Flavel's purchased the property back at the end of the redemption period. The same situation is possible if the City forecloses on liens, but at least the City will be able to recover its money. This approach allows the City to either remove the Flavel's as owners or recover the amount of the liens.

Councilor Warr asked what other liens were already on the properties and if the City would be responsible for paying off the other liens. City Attorney Henningsgaard stated he has not seen title reports but understood other liens do currently exist on the properties. If the City foreclosed on its junior lien, the City would not be responsible for any other liens on the properties. The City would take the Flavel's position, essentially acquiring the property subject to the liens.

**City Council Action:** Motion made by Councilor LaMear, seconded by Councilor Mellin to adopt a Lien Approval Resolution for 627 15th Street in the amount of \$10,495.95. Motion carried unanimously. Ayes: Councilors LaMear, Herzig, Mellin, Warr, and Mayor Van Dusen; Nays: None.

**City Council Action:** Motion made by Councilor Warr, seconded by Councilor Herzig to adopt a Lien Approval Resolution for 904-936 Commercial in the amount of \$6,600.00. Motion carried unanimously. Ayes: Councilors LaMear, Herzig, Mellin, Warr and Mayor Van Dusen; Nays: None.

**City Council Action:** Motion made by Councilor Herzig, seconded by Councilor Warr to adopt a Lien Approval Resolution for 905-943 Commercial in the amount of \$6,600.00. Motion carried unanimously. Ayes: Councilors Warr, Mellin, Herzig, LaMear, and Mayor Van Dusen; Nays: None.

## **NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS**

### **Item 9(a): Election of City Council President**

Mayor Van Dusen explained that the duty of the City Council President is to serve as Mayor Pro Tem if the Mayor is not available. Councilor LaMear nominated Councilor Mellin.

**City Council Action:** Motion made by Councilor LaMear, seconded by Councilor Warr to elect Councilor Mellin to serve as City Council President for 2013. Motion carried unanimously. Ayes: Councilors LaMear, Warr, Mellin, Herzig and Mayor Van Dusen; Nays: None.

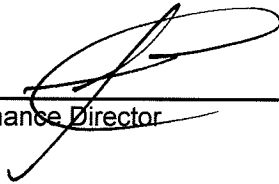

Laurie Caplan, 766 Lexington Avenue, Astoria, thanked the Council for serving and expressed her appreciation for their hard work and for focusing on doing the right thing for the city, keeping things reasonable, sensible and sustainable.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:01 p.m.

**ATTEST:**

**APPROVED:**

  
\_\_\_\_\_  
Finance Director  
\_\_\_\_\_  
City Manager