

Toledo City Council Work Session Minutes

April 23, 2025

Call to Order, Pledge of Allegiance and roll call

Mayor Cross called the Toledo City Council work session to order on April 23, 2025, at 6:00 PM. The Pledge of Allegiance was recited.

Roll call was conducted. Present were Mayor Cross, Councilor Burns, Councilor Silvia, Council President Bush, and Councilor Keating. Councilor Mix and Councilor Kaufman were excused. Five council members were present, constituting a quorum.

Prior to the official work session, Mayor Cross allowed for public comment.

Representatives from the Toledo History Museum and Yaquina Pacific Railroad Historical Society, Brenda Brown and Lisa Watson, addressed the Council to request funding for their museums. They expressed gratitude for previous funding which allowed for security and upgrades for both organizations. They offered to provide a presentation at the first budget committee meeting on May 7, 2025. Several councilors expressed support for having them present at the budget meeting.

Jim Chambers from 565 Aspen Street reminded the Council about fire suppression systems in relation to water rates, noting that rates had previously been excessive and should be considered during rate discussions.

John Robinson, who is building a triplex at 6th and A across from the police station, discussed challenges with the building process in Toledo since 2019. He expressed concerns about high construction water rates, noting he pays \$36 monthly even during periods of minimal usage. He also mentioned the frequent turnover in city leadership positions has made building relationships difficult, having worked with four city managers and three public works directors since 2019. Mayor Cross suggested scheduling a meeting with Robinson, the city manager, the planner, and himself to address these long-standing concerns.

Proclamation

Mayor Cross read a proclamation declaring April 26, 2025, as Arbor Day in the City of Toledo. The proclamation highlighted the importance of trees for combating climate change, providing resources, increasing property values, and bringing joy to the community. It urged citizens to support efforts to protect trees and woodlands and to plant trees for future generations.

Decision Items

Consideration to appoint a Budget Committee member

Mayor Cross recommended reappointing Rick Dyson to the Budget Committee, noting he has served since 2022 and has attended all meetings and done his due diligence.

Motion by Councilor Silvia, seconded by Councilor Keating, to appoint Rick Dyson to the Budget Committee for a full term that will expire December 2027. Motion carried 5-0 by roll call vote.

Consideration of new Water and Sewer rates effective May, 2025

Finance Director Richter presented information about water and sewer rates, noting that the current rate study is five years old. She explained that the water fund is particularly tight in the budget planning process, with sewer being tight but at least balanced. Judy highlighted two key factors affecting water revenues: the loss of Seal Rock as a customer and Georgia Pacific discovering and fixing a significant water leak about a year ago, which reduced their monthly billing substantially.

Mayor Cross indicated that the city had tried to catch up on rates over the past couple of years after not raising them during COVID. He mentioned the city was already behind when the rate study was done, and they've been trying to catch up since then.

Councilor Silvia inquired whether SIP (Strategic Investment Program) funds could be used to cover the lost revenue from Seal Rock Water District, though it was noted there may be legal limitations on using general funds for enterprise funds like water and sewer.

Mayor Cross suggested the city should look at a 3-5% increase this year to continue catching up, and recommended doing another water rate study next year to compare with neighboring communities. The Council directed staff to come back with a proposed rate amendment for either the May 7th or May 21st meeting.

Discussion regarding the intended use of the SIPP funds which are deposited in the City Council Strategic Reserve Fund

Mayor Cross explained that the strategic reserve fund was established in 2010 to handle unforeseen emergencies. He noted that for ten years they didn't touch it, but during COVID they used it to provide no-interest loans to local businesses. He proposed raising the reserve from \$50,000 to \$75,000, with the rest going to the general fund.

Finance Director Richter brought up a critical issue regarding the public safety remodel fund, which is currently overdrawn by about \$75,000, with another \$125,000 in bills coming, totaling approximately \$200,000 overdrawn. She asked if some of the \$250,000 in SIP funds designated for public improvements could be transferred to cover the public safety building remodel expenses.

Mayor Cross expressed frustration with the public safety building project but acknowledged the need to address the shortfall. He directed City Manager Pro Tem Clyne to prepare a transfer resolution for the next meeting. Public Works Director Lorimor indicated there would be approximately another \$120,000 in expenses coming for the project.

Mayor Cross also mentioned that the public safety building is part of a major state funding package for public safety buildings across Oregon, and he hopes it will pass to finally complete the project.

Review proposed Capital Improvement Projects for Fiscal Year 2025-2026

Finance Director Richter presented the proposed Capital Improvement Projects for the upcoming fiscal year, noting that she wanted the Council to see these ahead of the first budget meeting. The list was described as "skinny" compared to normal years.

Projects included:

- Annual street painting (\$20,000)
- Water pressure reducing valves (\$17,000)
- Memorial Field lights (\$35,000), which would only proceed if grant funding is received

- Library ramp renovation for ADA compliance
- Fire station storage addition
- Lucas device for the fire department to perform chest compressions during emergencies (\$20,000)
- Water treatment plant filter media replacement, a major 20-year project that is now at year 25
- SCADA system upgrades for both water treatment and wastewater plants
- VFDs and PLC at Butler Ridge pumping station (\$99,000)
- Automatic transfer switches for two sanitary sewer lift pump stations to allow automatic generator operation during power outages
- Phone system replacement (\$10,000)
- Fiber internet for the public works building
- Police patrol car replacement (not initially on the list but mentioned during discussion)

Mayor Cross noted that this was a significantly reduced list compared to normal years but indicated that Toledo was still in better financial shape than about 40% of cities in the state. However, he warned that if the economy continues on its current trajectory, that percentage could increase to 80-90% of cities being "underwater" within two years.

Judy reminded everyone about budget training scheduled for the following night at 6 PM.

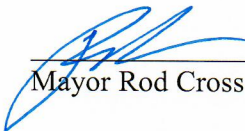
Councilor Kauffman took a moment to thank City Attorney Mike Adams, who was attending his last meeting, for his support and integrity. She expressed regret that his departure couldn't be more joyful, noting it felt "more like an exodus." Mayor Cross and others also expressed appreciation for Mike's service, honesty, integrity, and dedication.

Councilor Silvia announced the upcoming Great American Food Box Cook-off fundraiser for the Toledo Food Pantry. He and Mayor Cross would be teaming up for the event, which challenges participants to create meals from standard food pantry boxes.

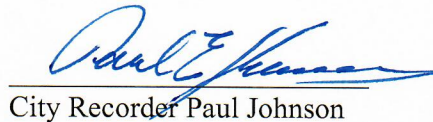
Councilor Keating noted that April is Child Abuse Prevention Month, explaining that the blue pinwheels outside city hall represent the "Pinwheels for Prevention" awareness campaign.

The meeting was adjourned.

Approved:


Mayor Rod Cross

Attest:


City Recorder Paul Johnson