

CITY OF BANDON

CITY COUNCIL AGENDA DOCUMENTATION

DATE: June 17, 2020

SUBJECT: Resolution 20-14 regarding placing a water rate increase on the September 15, 2020 Ballot.

ITEM NO. 5.1.1

BACKGROUND:

City water rates do not cover the operations and maintenance costs of the plant and distribution system, and have not for some time. Without a rate increase, the City will need to make significant cuts to its general fund budget 44% of which goes to public safety.

The City Charter requires voter consent for any rate increases. Therefore, the City will need to put a measure on the ballot for approval of any rate increase. The proposed rate increase is \$8.00 per month for the base rate, and a proportionate increase to other rates.

FISCAL IMPACT:

The water department currently faces a shortfall of \$218,459 for the 2020/2021 Fiscal year.

RECOMMENDATION:

Approve resolution 20-14.

SUBMITTED BY:


Dan Chandler City Manager

RESOLUTION NO. 20 -14

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE
CITY OF BANDON, OREGON, PLACING ON THE SEPTEMBER 15, 2020
ELECTION BALLOT A MEASURE AUTHORIZING AN INCREASE IN WATER RATES.

WHEREAS, Water rates in the City of Bandon have been insufficient to pay for proper operation and maintenance of the water treatment and distribution systems, and to build reserves for future water system improvements, watershed protection, and securing additional sources of water; and

WHEREAS, water rates for operation and maintenance of the water system have not increased since 2006, and

WHEREAS, the City Charter restricts the ability of the Mayor and City Council to set water rates, except by consent of the voters; and

WHEREAS, the Mayor and City Council believe that the attached schedule of rates provides sufficient revenue and an appropriate balance of rates,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Bandon that the measure captioned "Water Rates," which is included herein as "Exhibit A," is hereby placed on the September 15, 2020 election ballot for the City of Bandon; and

BE IT FURTHER RESOLVED that upon approval by the voters, the city will implement the water rates set forth in Exhibit B.

BE IT FURTHER RESOLVED that this resolution shall become effective upon its adoption and approval.

ADOPTED by the City Council this 17th day of June, 2020.

Mary Schamehorn, Mayor

Attest:

Denise Russell
City Recorder

Exhibit A.

TITLE: Increase in water rates for operation and maintenance.

QUESTION: Should the City of Bandon adopt an increase in the base water rate of \$8.00 per month to cover operation and maintenance of the water system?

SUMMARY: While there was a water rate increase in 2016 dedicated to capital improvements, city water rates for operations have not increased since 2006. Operations costs have increased in 14 years, particularly as the plant and pipes age. Expenses currently exceed revenues. If revenues do not increase, the City will likely have to subsidize operations from the general fund, of which 44% goes to fund police and fire protection. The City is seeking voter approval for an increase of \$8.00 per month in the base water rate and the same percentage increase in rates for other users.