

# CITY OF BANDON

CITY COUNCIL AGENDA DOCUMENTATION

DATE: June 17, 2020

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

ITEM NO. 5.1.2

## BACKGROUND:

City sewer rates do not cover the operations and maintenance costs of the plant and collection system, and have not for some time. Without a rate increase, the City will need to make significant cuts to its general fund in order to fill the funding gap. Forty four percent (44%) of the general fund goes to police and fire protection.

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 \$7.00 per month for the base rate, and a proportionate increase to other rates.

## FISCAL IMPACT:

The sewer department currently faces a shortfall of \$169,935 for the 2020/2021 Fiscal year.

## RECOMMENDATION:

Approve resolution 20-15.

## SUBMITTED BY:

  
Dan Chandler City Manager

RESOLUTION NO. 20 -15

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 SEWER RATES FOR  
OPERATION AND MAINTENANCE

WHEREAS, Sewer rates in the City of Bandon have been insufficient to pay for proper operation and maintenance of the sewer treatment and collection system.

WHEREAS, sewer rates for operation and maintenance have not increased since 2011, and

WHEREAS, the City Charter restricts the ability of the Mayor and City Council to set utility 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 charges to various users,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Bandon that the measure captioned "Sewer Rate Increase," 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 rate schedule attached hereto as "Exhibit B" shall be implemented.

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

ADOPTED by the City Council this 17<sup>th</sup> day of June, 2020.

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Mary Schamehorn, Mayor

*Attest:*

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Denise Russell  
City Recorder

## Exhibit A

BALLOT TITLE: Increase to sewer rates.

QUESTION: Should the City of Bandon increase the base sewer rate by \$7.00 per month to cover operations and maintenance of the sewer plant and pipes.

SUMMARY: The last sewer rate increase was in 2011. Since that time, operations costs have increased, particularly as the plant and pipes age. Additionally, costs have increased for the disposal of sludge. Expenses have exceeded revenues for some time. 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 \$7.00 per month in the base sewer rate and a proportionate increase in other rates. A yes vote will allow the City to increase rates. A no vote means the rates will stay the same.