
**City of Florence
Joint Meeting
City Council and Siuslaw Valley Fire and Rescue Board of Directors
Minutes
February 24, 2010**

CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE

Mayor Brubaker opened the joint meeting of the city council and the Siuslaw Valley Fire and Rescue Board of Directors at 6:00 p.m. Mayor Brubaker noted that all councilors were present. Board President Steve Olienyk stated that all members of the Board of Directors were present.

City of Florence attendees included: Council President Nola Xavier, Council Vice President Alan Burns, and Councilors Suzanne Roberts and Dave Franzen. Staff in attendance included City Manager Robert Willoughby, Assistant City Manager Jacque Morgan, Finance Director David Armstrong, and City Recorder Pat Heinze.

Siuslaw Valley Rural Fire and Rescue Board Members included: Board President Steve Olienyk, Board Vice President Rob Ward, Board Secretary Lori Gates, Board Members Bill Mead and John Scott. Staff in attendance included Fire Chief John Buchanan and Finance Officer Janet Huston.

Mayor Brubaker said the agenda that evening was one master item with a lot of confluent parts, but the main thrust of the meeting was to determine if the City of Florence should annex into Siuslaw Valley Fire and Rescue.

APPROVAL OF AGENDA

Mayor Brubaker asked if there were any changes to the agenda. Hearing none, the agenda was approved as published.

PUBLIC HEARING

SHALL THE CITY OF FLORENCE ANNEX TO THE SIUSLAW VALLEY FIRE AND RESCUE?

Consider testimony on the request for the City of Florence to annex into the Siuslaw Valley Fire and Rescue.

CM Willoughby said his intent that evening was to start with a brief history for the people who were not at the town hall meeting last week, but it didn't appear that there was anyone in attendance that evening who needed that update.

He referred to the slide in the PowerPoint presentation that represented the recommendation of the Task Force. He said the Task Force consisted of two elected representatives of the Fire District, Fire Chief and Finance Manager, as well as two councilors and staff members from the city. He said the results of the survey that the Task Force had commissioned, indicated that there was a

reasonable chance to get approval for a net property tax increase of between \$.45-\$.50/\$1,000. He said based on the results from the survey, the Task Force recommended to both of the bodies that a measure be put on the May ballot if the following occurred:

1. If the current fire district board agreed to a resolution and an IGA directing the fire district budget officer to lower its property tax rate to \$.8717/\$1,000 (down from \$1.5417/\$1,000)
2. If the current city council agreed to a resolution and an IGA directing city staff to lower its tax rate by \$.39/\$1,000.

He said the results of those two actions would be a net cost increase in property taxes for property taxpayers within the city limits (if we annex into the fire district) of \$.48/\$1,000. He said the cost for a home with a median assessment would be less than \$72/year. He said the survey also indicated that there were 48% that said that they would support an increase between \$.45-\$.50/\$1,000; the proposed increase of \$.48 is within that range.

He said the important numbers for citizens to consider:

1. Fire District is lowering their tax to \$.8717
2. City is lowering theirs by \$.39
3. The difference between the two is \$.48 and that is the net increase for the city taxpayers.

He said to put this on the ballot we have several actions that need to be taken by both the city council and the fire district board that evening. He then summarized the resolutions:

1. **Resolution No. 7** – this action would be taken by the city council, the resolution would propose annexation to the fire district and it would formally request that the fire district board take action to enable the annexation question to be placed on the May 2010 ballot.

He said before the fire district takes action on the second item the city's clerk will certify a copy of Resolution No. 7, 2010 and hand deliver it to the fire district's Board President. He said the statute requires that before the fire district takes action on their resolution they must have a certified copy of our resolution.

2. **Resolution No. 2010-02** – of the Fire District – would approve the City of Florence's annexation as stated in Resolution No. 7 and it will specify that the fire district is not calling for an election in their existing service territory and it resolves that after receiving a certification of the election from the county clerk that the measure passed at the May 18, 2010 election, they would formally annex the properties within the City of Florence into their fire district.
3. **Resolution No. 8** - The fire district's secretary will certify a copy of the fire district's resolution and hand it to the Mayor, and then the city council will consider Resolution No. 8, Series 2010, a resolution that

calls for an election to be held on May 18, 2010; the proposed ballot title is attached.

4. **Resolution No. 2010-03** - He said once the council adopts Resolution No. 8, this will then switch back to the Fire District and this would be the first of the resolutions that accomplishes the reduction of the fire district's levy rate from \$1.5417/\$1,000 to \$.8717/\$1,000. He said the resolution states if the city is annexed into the fire district on May 18th that beginning with the budget for the fiscal year July 1, 2011 that Board of Directors would direct the fire district's budget officer to prepare a budget using the district's rate reduced by \$.67 resulting in a \$.8717/\$1,000 of assessed value. He said it goes on to say that in subsequent budgets, the fire district budget officer may prepare a budget using the tax rate increase by 2% above the prior year, up to the district's permanent tax rate.
5. **Resolution No. 9** - He said once that resolution is passed by the Fire District's Board then the city council will consider Resolution No. 9 which does the same thing - directing the city's budget officer to reduce its tax levy by \$.39 which would reduce the permanent rate of \$2.861 to \$2.471, which is the reduction of \$.39/\$1,000.
6. **IGA** - He said the last item in the packet is an IGA which would formalize between the parties, the resolutions that each body has passed. He said in Section B of the IGA, it discusses about what happens to fire hydrants and other things as set forth in the 1999 IGA, but the new language is in Section D, subsection 1, where it talks about what the district and the city are doing to lessen the impact of the annexation on the taxpayers inside the city and it has the same language here, "starting July 1, 2011 the city is going to reduce its tax rate by \$.39 resulting in a property tax rate of \$2.4710/\$1,000.

Subsection 2: The fire district 'Starting July 1, 2011' would reduce their tax levy by \$.67 resulting in a tax rate of \$87.17/\$1,000, the language about each subsequent year in which the fire district may certify a property tax rate that's up to 2% (this is discretionary) more than in the prior year. He gave an example: In the second year, if you increase the tax rate 2%, the \$87.17 would become \$88.91/\$1,000.

Board Member Rob Ward asked if the 2% rate increase was the maximum that the fire district would be allowed to increase its tax rate. CM Willoughby said there are two things, the city doesn't have the 2% increase in our tax rate; we're going to reduce ours by \$.39 for as long as this IGA and our resolution are in place. He said the IGA states that if it was terminated we would have to give 18 months notice or otherwise every two years (and that corresponds to the time frame each of the elected bodies might change through elections) and it gives a new board and new city councils the opportunity to reconsider the resolution and the IGA. He said that as long as the IGA or resolution haven't been rescinded, you are limited to the 2%, but with 18 months notice, every two years, every new fire district board can reconsider that and look at what

your financial needs are and determine whether you would want to terminate the IGA and resolution.

Mayor Brubaker referred to a prepared sheet with Property Tax Rate Facts: He said one the columns was slightly mislabeled and that was the 5th column labeled "Total Rate for City Taxpayers," he said city taxpayers will never see those numbers on their tax bill per se, what it should say is "Combined Tax Rate for City Taxpayers". is very technical and needed more clarification.

He said we start with what we have now and then we make the point for the next fiscal year (2010-2011) that there is no change. If this is approved by the voters this May, it doesn't go into effect until the following June (2011-2012). He said at that time city voters will have a new line on their tax bill for \$.8717 so the net increase is \$.4817. He referred to the first footnote which states, "The IGA includes an 18-month notice provision for termination which means that the current city council can set the city tax rate at \$2.471 for 2011-12, and the current fire board can set its tax rate at \$0.8717 for 2011-2012." He said the current council and fire board cannot stipulate or agree to these rates two years from now.

He said after that, the second footnote goes into effect and we need to be upfront with our voters on this. "For 2012-2013 and beyond, both future city councils and future fire boards will have to agree to allow the IGA to be automatically renewed for two years at a time in order for these future tax rates to apply."

Mayor Brubaker said in essence it does obligate future fire boards or future city councils to allow this to continue, but every two years there is going to have to be a weigh in on where this goes. The 2% cap for the future is what would happen if it continued to 2015-2016 at which time the tax rate could be \$0.9436, the city would still be at \$2.471 and that raises a political question.

He said back in the library days when Measures 5, 49 and 50 passed we have had a "time out" about the issue of raising tax rates in the State of Oregon. We have about 5,000 residents in this area who were not around during that time. He said the successors at the fire district will be hard pressed to keep it at only a 2% increase and the successors for the city council will be very hard pressed to keep it at \$2.47 and not start dipping into that \$.39 cushion we have in future years because our expenses out do our revenues.

Board Member Rob Ward asked why the city made that decision as it does not give the council flexibility. Mayor Brubaker said the committee felt it would be hard pressed to get this passed at a higher rate than \$2.47. He said we have to say to our voters, "these are the facts," so if someone is running for city council in 2015 and they are asked what their plans were for the city tax rate, it puts us back into the pre-measure 5 world of Oregon local finance. He said he hopes that this sets forth the facts as far as the resolutions and IGA.

Mayor Brubaker summarized Resolution No. 8, Series 2010 and stated that the Ballot Title was prepared by the city's attorney and it conforms to the legal

requirements that the caption can be up to ten words and the question can be up to 20 words and the summary up to 175 words although he noted the summary was a little bit shorter.

He referred to the caption and said we didn't say, "City of Florence" in the caption because there was not enough room with the word limit and it is just City of Florence voters who will be voting.

He referred to the Question and said the City's complete name is listed along with the Fire District. He asked for any suggestions or questions before they opened the public hearing.

Councilor Burns asked if they count characters in the Caption – so they could put the character "&" and then put City Florence in there. CM Willoughby said they count the ampersand as a word and you would need the word "of" after the word "City."

ACM Morgan said that the ballot title had been reviewed by both the city attorney and the fire district's attorney and noted that they were both in the same law firm.

Mayor Brubaker said there would be a vote on the membership of the fire district governing board beginning at the May 2011 election and asked how many seats were up. Board Member Rob Ward said everyone serves four year terms so there would be three seats up for election at that time.

Mayor Brubaker asked if there was enough room to add to the end of the Summary the wording 'beginning with the May 2011 election.' Staff replied yes.

Mayor Brubaker said the new rate would go into effect after the next election so the new board could not change the rate. In answer to the question as to why we can't do this for five years, he indicated that it is not legal for the current council to obligate future councils. If it were legal, we could do a five year deal.

Mayor Brubaker said we might have the question from citizens "when could I run for the fire board?" The new rate would go into effect a month after the next election; the new board could not change a notice of cancellation at that time.

Mayor Brubaker opened the public hearing at 6:27 p.m.

Mayor Brubaker asked if there was anyone in the audience that would like address this item. With no one coming forward and with the consent of the council and the fire district board, he closed the public hearing at 6:28 p.m.

Councilor Burns moved to close the public hearing for both oral and written testimony. Second by Councilor Xavier, by voice all ayes, motion carried unanimously.

Board President Steve Olienyk asked the Board if they wanted to close the hearing. Board Member John Scott moved to close the public hearing for both oral and written testimony. Second by Board Member Rob Ward, by voice all ayes, motion carried unanimously.

ANNEXATION OF THE PROPERTIES WITHIN THE CITY OF FLORENCE TO SIUSLAW VALLEY FIRE AND RESCUE

Consider approval of Resolution No. 7, Series 2010, a resolution proposing the annexation of the properties within the City to Siuslaw Valley Fire and Rescue and requesting the fire district to vote to take action on this proposal to enable the annexation question to be placed on the May 2010 ballot.

Councilor Roberts moved for approval of Resolution No. 7, Series 2010 a resolution proposing the annexation of the properties within the City to Siuslaw Valley Fire and Rescue and requesting the fire district to vote to take action on this proposal to enable the annexation question to be placed on the May 2010 ballot. Second by Councilor Franzen, by voice all ayes, motion carried unanimously.

**CITY OF FLORENCE
RESOLUTION NO. 7, SERIES 2010**

**A RESOLUTION PROPOSING ANNEXATION OF
PROPERTIES WITHIN THE CITY TO
SIUSLAW VALLEY FIRE AND RESCUE**

WHEREAS, the City of Florence (the "City") is currently receiving fire protection services from Siuslaw Valley Fire and Rescue (the "Fire District") through an out-dated fire services agreement; and

WHEREAS, in order to maintain the level of fire protection services within the City, the City and the Fire District need to amend the arrangement for fire services so that the Fire District receives fair compensation for the services it provides to the City; and

WHEREAS, annexation of the City to the Fire District would allow the Fire District to provide fire protection services within the City and would allow the Fire District to pay for the services by collecting property taxes from City property owners; and

WHEREAS, the City wishes to have the territory within the boundaries of the City annexed to the Fire District,

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Florence, as follows:

- Section 1. In accordance with ORS 198.866(1), the City proposes annexation to Siuslaw Valley Fire and Rescue for the purpose of receiving fire protection and related services from the Fire District.
- Section 2. The City Recorder shall certify a copy of this Resolution to the Fire District Board of Directors.
- Section 3. The City requests the Fire District Board of Directors to take action on this proposal to enable the annexation question to be placed on the May, 2010 ballot.
- Section 4. This Resolution shall become effective immediately upon its adoption.

The City Recorder certified the resolution and hand delivered it to the secretary of the Fire District Board.

SIUSLAW FIRE AND RESCUE RESOLUTION NO. 2010-02

Consider approval of a resolution approving annexation proposal by the City of Florence for annexation of the properties within the City to Siuslaw Valley Fire and Rescue.

Board President Olienyk stated that Resolution No. 2010-02 is a resolution approving the annexation proposal by the City of Florence for annexation of the properties within the City to Siuslaw Valley Fire and Rescue. Board Member Rob Ward moved for adoption of Resolution No. 2010-02, second by Board Member John Scott, by voice all ayes, motion carried unanimously.

SIUSLAW VALLEY FIRE AND RESCUE

"Protection with Pride"

Resolution No. 2010-02

**Resolution Approving Annexation Proposal by the City of Florence
for Annexation of the Properties Within the City to
Siuslaw Valley Fire and Rescue**

WHEREAS, Siuslaw Valley Fire and Rescue (the "Fire District") is currently providing fire protection services to the City of Florence (the "City") through an out-dated fire services agreement; and

WHEREAS, in order to maintain the level of services within the City, the City and the Fire District need to amend the arrangement for fire services so that the Fire District receives fair compensation for the services it provides to the City; and

WHEREAS, the City wishes to have the land within the boundaries of the City annexed to the Fire District and has provided the Fire District with a certified Resolution proposing such annexation as is authorized by ORS 198.866(1); and

WHEREAS, the Fire District wishes to annex the properties within the City as proposed by the City and is able and willing to provide fire protection and related services within the City,

THEREFORE, BE IT RESOLVED that the Board of Directors of Siuslaw Valley Fire and Rescue hereby approves the City of Florence annexation proposal as stated in the City's Resolution No. 7, Series 2010 adopted on February 24, 2010.

IT IS FURTHER RESOLVED that in accordance with ORS 198.866(3)(b), the Board of Directors of the Fire District will not call an election within the Fire District.

IT IS FURTHER RESOLVED that the Secretary of the Board of Directors of the Fire District shall certify a copy of this Resolution to the Florence City Council for the City to call for an election within the City on May 18, 2010.

IT IS FURTHER RESOLVED that upon receiving a certification of election showing passage of the annexation measure at the May 18, 2010 election, the Fire District shall annex the City of Florence and take such other related actions as provided by law.

This resolution shall become effective immediately upon its adoption.

CITY OF FLORENCE RESOLUTION NO. 8, SERIES 2010

Consider a Resolution calling for an election within the City of Florence on the question of Annexation of the properties within the City to Siuslaw Valley Fire and Rescue

Mayor Brubaker indicated that they have received a certified copy of the Fire District’s resolution and the council could move forward with Resolution No. 8. He said this resolution will put the measure on the ballot and it includes the ballot title and asked if he had received council consensus to add the sentence at the end of the summary as proposed earlier in the meeting and he asked CM Willoughby to read that portion. CM Willoughby said what the ballot title would say was what was in the council’s packet that evening, plus the wording at the end of the last paragraph in the summary, **“beginning with the May 2011 election.”**

Councilor Burns moved for approval of Resolution No. 8, Series 2010 as amended in the ballot title, second by Councilor Xavier, by voice all ayes, motion carried unanimously.

**CITY OF FLORENCE
RESOLUTION NO. 8, SERIES 2010**

**A RESOLUTION CALLING FOR AN ELECTION WITHIN THE
CITY OF FLORENCE ON THE QUESTION OF ANNEXATION
OF THE PROPERTIES WITHIN THE CITY
TO SIUSLAW VALLEY FIRE AND RESCUE**

WHEREAS, the City of Florence proposed annexation to Siuslaw Valley Fire and Rescue (the “Fire District”) in accordance with ORS 198.866(1); and

WHEREAS, the Fire District Board of Directors has approved by Board resolution the annexation proposed by the City in accordance with ORS 198.866(2); and

WHEREAS, the Fire District Board of Directors determined to proceed under ORS 198.866(3)(b) and, as a result, an election will not be called within the Fire District; and

WHEREAS, the City wishes to call for an election within the City of Florence on the question of annexation to the Fire District to enable the City to receive fire protection and related services from the Fire District,

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Florence, as follows:

- Section 1. An election is called to be held in the City of Florence on May 18, 2010 on the question of approving annexation of the City of Florence to Siuslaw Valley Fire and Rescue for the purpose of receiving fire protection and related services from the Fire District.
- Section 2. The election will be conducted by Lane County. The County Clerk for Lane County is hereby instructed to prepare the ballots and to take other actions necessary to conduct the election.
- Section 3. The proposed ballot title prepared by the City Council for the measure is attached as Exhibit A.
- Section 4. Ballots from the election shall be counted and tabulated and the results certified as provided by law. If a majority of the legal voters of the City of

Florence voting on the measure approve the measure, the City shall proceed to complete the annexation as provided by law in conjunction with the Fire District Board of Directors.

Section 5. This Resolution, including the proposed ballot title, shall be filed with the City Recorder at the City of Florence City Hall.

Section 6. Upon filing of this Resolution, the City Recorder shall give notice of the election by posting notice thereof in a public place in City Hall and by publishing a notice thereof in a newspaper of general circulation in the City of Florence. The notice shall contain a statement that the ballot title was received, a statement that an elector may file a petition for review of the ballot title, the deadline by which petitions for review must be filed, the ballot title caption and question, the date of the election, and information on where the full ballot title may be reviewed. The City Recorder shall take such other actions and otherwise proceed with the election as provided in state law.

Section 7. This Resolution shall become effective immediately upon its adoption.

DATED this 24th day of February, 2010.

Ballot Title

Caption (up to 10 words)

Measure proposing Florence annexation to Siuslaw Valley Fire and Rescue

Question (up to 20 words)

Shall the City of Florence annex to Siuslaw Valley Fire and Rescue for the purpose of receiving fire protection services?

Summary (up to 175 words)

Approving this measure would annex the properties within the City of Florence to Siuslaw Valley Fire and Rescue (Fire District).

In 1999, the City of Florence ceased providing fire protection services and instead entered into a temporary (3 year) contract with the Fire District to provide fire protection services within the City. Recently, the Fire District notified the City that it will no longer continue to provide the same level of services to City residents under the current contract. Rather than enter into a new contract providing for an increased payment from the City to the Fire District, the City Council proposed this measure annexing the properties within the City to the Fire District. Annexation would allow the Fire District to provide fire services directly to properties within the City which would subject properties within the City to the Fire District's property tax rate, and allow residents within the City to vote on the membership of the Fire District's governing board, beginning with the May 2011 election.

INSTRUCTIONS TO THE BUDGET OFFICER OF SIUSLAW VALLEY FIRE AND RESCUE (FIRE DISTRICT) AFTER ANNEXATION OF THE PROPERTIES OF THE CITY OF FLORENCE TO THE FIRE DISTRICT.

Consider approval of Resolution No. 2010-03 a resolution instructing the Fire District Budget Officer to prepare the budget of the Fire District using less than the full permanent property tax rate after annexation of the properties within the City to the Fire District.

Board President Olienyk read the heading of the resolution and asked if there was a motion for approval of the resolution. Board Member Lori Gates moved to approve the resolution; second by Board Member Rob Ward, by voice all ayes, motion carried unanimously.

**SIUSLAW VALLEY FIRE AND RESCUE
“Protection with Pride”**

Resolution No. 2010-3

**A Resolution Instructing the Budget Officer to Prepare
the District Budget using Less than the District’s Full
Permanent Property Tax Rate after Annexation of the Properties within the City
of Florence to Siuslaw Valley Fire and Rescue**

WHEREAS, the City of Florence (the “City”) is placing a measure on the May 18, 2010 ballot asking the voters within the City whether the City should annex to Siuslaw Valley Fire and Rescue (the “Fire District”); and

WHEREAS, the City Council and the Board of Directors of the Fire District have both approved the annexation proposal as the best way to provide fire protection services within the City and to fairly compensate the Fire District for the services it renders to City residents; and

WHEREAS, if the annexation is approved, property owners within the City will be subject to assessment of the District’s property tax rate, which is \$1.5417 per \$1,000.00 of assessed value; and

WHEREAS, the Board of Directors is concerned with the prospect that the addition of the Fire District’s tax levy on City residents will increase property taxes for property owners within the City; and

WHEREAS, the Board of Directors desires that the City’s annexation to the Fire District not substantially increase the taxes on property owners within the City; and

WHEREAS, the Board of Directors recognizes that if the annexation is approved, the Fire District will experience an increase in tax revenues due to the inclusion of the property tax base from properties within the City and that this allows the Fire District the opportunity to provide some property tax relief to all property owners within the Fire District as long as the Fire District is able to maintain a high level of fire protection services at a cost that is less than the revenue generated at the Fire District’s full tax rate; and

WHEREAS, the City currently spends approximately \$.31 of its \$2.8610 permanent tax rate on fire protection services through a contractual agreement with the Fire District; and

WHEREAS, if the annexation is approved, the City will no longer be providing funding to the Fire District for fire protection services within the City through its contractual agreement with the Fire District,

THEREFORE, BE IT RESOLVED that if the City of Florence is annexed to Siuslaw Valley Fire and Rescue by the City voters at the May 18, 2010 election, beginning with the budget for the fiscal year starting July 1, 2011, the Board of Directors of the Fire District hereby instructs the Fire District’s Budget Officer to prepare a budget using the Fire District’s full permanent tax rate reduced by \$.67, resulting in a property tax rate of \$.8717 per \$1,000 of assessed value.

IT IS FURTHER RESOLVED that in subsequent budgets, the Fire District’s Budget Officer may prepare a budget using a tax rate increased by up to 2% above the prior year, up to the District’s permanent tax rate. This increase is intended to phase-in the taxes resulting

from the annexation and to also account for increased costs caused by inflation and other similar economic factors that may make providing fire protection services more costly in subsequent years.

IT IS FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

INSTRUCTIONS TO THE BUDGET OFFICER AFTER ANNEXATION OF THE PROPERTIES WITHIN THE CITY OF FLORENCE TO SIUSLAW VALLEY FIRE AND RESCUE

Consider approval of Resolution No. 9, Series 2010 a resolution instructing the City budget officer to prepare the City budget using less than the City's full permanent property tax rate after annexation of the properties within the City.

Mayor Brubaker read the title of the resolution and asked if there was a motion for approval of the resolution. Councilor Xavier moved to approve the resolution, second by Councilor Roberts, by voice all ayes, motion carried unanimously.

**CITY OF FLORENCE
RESOLUTION NO. 9, SERIES 2010**

A RESOLUTION INSTRUCTING THE BUDGET OFFICER TO PREPARE THE CITY BUDGET USING LESS THAN THE CITY'S FULL PERMANENT PROPERTY TAX RATE AFTER ANNEXATION OF PROPERTIES WITHIN THE CITY TO SIUSLAW VALLEY FIRE AND RESCUE

WHEREAS, the City of Florence (the "City") is placing a measure on the May 18, 2010 ballot asking the voters within the City whether the City should annex to Siuslaw Valley Fire and Rescue (the "Fire District"); and

WHEREAS, if the annexation is approved, property owners within the City will be subject to assessment of the Fire District's property tax rate, which is \$1.5417 per \$1,000.00 of assessed value; and

WHEREAS, the Florence City Council is concerned with the prospect that the addition of the Fire District's tax levy on City residents will increase property taxes for property owners within the City; and

WHEREAS, the City Council desires that the annexation to the Fire District not substantially increase the taxes on property owners within the City; and

WHEREAS, the City currently spends approximately \$.31 of its \$2.8610 permanent tax rate on fire protection services through a contractual agreement with the Fire District; and

WHEREAS, if the annexation is approved, the City will no longer be funding fire protection services within the City through its contractual agreement with the Fire District,

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Florence, as follows:

- Section 1. If the City of Florence is annexed to Siuslaw Valley Fire and Rescue by the voters at the May 18, 2010 election, beginning with the budget for the fiscal year starting July 1, 2011, the Florence City Council instructs the City's Budget Officer to prepare a budget using the City's full permanent tax rate reduced by \$.39, so that the impact of the annexation on City property owners is not as significant as it otherwise

would be. The effect of this reduction will be creating a City budget based upon a permanent tax rate reduced from \$2.8610 to \$2.4710.

Section 2. This Resolution shall become effective immediately upon its adoption.

INTERGOVERNMENTAL AGREEMENT FOR CONTINUANCE OF FIRE PROTECTION SERVICES WITHIN THE CITY OF FLORENCE

Consider authorizing the City Manager and Fire District Chief to sign the intergovernmental agreement for continuance of fire services (Requires Action by both the City Council and the Board of Directors of the Fire District)

CM Willoughby pointed out to the city council that in their packet they had some slightly different wording in a portion of the IGA on page 2 sub-paragraph D. He said we had the 2% language in the first draft of this and when we took that out it took out the language “for each subsequent fiscal year”, so what we had and what was sent to the Council stated that we would only reduce our tax rate for the year starting July 1, 2011. He said staff has added to Section D-1 the phrase **“Starting July 1, 2011...”** to make it clearer and consistent with the resolution.

Mayor Brubaker referred to the rate sheet and said that, even though it was a drafting error, what makes the first column on the rate sheet valid with the footnotes is the fact that it's going to require a specific action of future city councils if they want to move off of the \$2.37 rate. He said that fulfills what he was talking about before in terms of the change of councils and future fire boards.

Mayor Brubaker read the title of the IGA: “Intergovernmental Agreement for Continuance of Fire Protection Services,” he said the IGA will be effective this evening. Councilor Burns moved to approve the IGA; second by Councilor Franzen by voice all ayes, motion carried unanimously.

Board President Steve Olienyk read the title of the IGA “Intergovernmental Agreement for Continuance of Fire Protection Services,” he said the IGA will be effective this evening. Board Member John Scott moved to approve the IGA; second by Board Member Bill Mead, voice all ayes, motion carried unanimously.

INTERGOVERNMENTAL AGREEMENT FOR CONTINUANCE OF FIRE PROTECTION SERVICES

PARTIES:

This Agreement is entered into by and between the City of Florence, Oregon, an Oregon municipal corporation (“City”) and Siuslaw Valley Fire and Rescue, an Oregon rural fire protection district (“Fire District”), hereinafter called a “Party” or the “Parties.”

RECITALS:

- A. Under an Intergovernmental Agreement entered into pursuant to ORS 190.010 for Contractual Fire Protection Services dated April 10, 1999 (the “1999 IGA”), the Fire District agreed to provide Fire Protection Services to the City for an agreed compensation amount with annual adjustments.

- B. The Parties are proceeding with an annexation election measure on the May 18, 2010 ballot that would result in the annexation of properties within the City to the Fire District (the "Fire District Annexation Measure"). Passage of the Fire District Annexation Measure would eliminate the need for the 1999 IGA.
- C. The purpose of this new agreement (this "Agreement") is to redefine the continuing relationship between the Parties if the Fire District Annexation Measure passes.
- D. In the event of a failure of the Fire District Annexation Measure, the Parties understand that they will negotiate a new IGA for the continuation of Fire District services within the City.
- E. In the event of the passage of the Fire District Annexation Measure, the Parties intend this Agreement to address issues concerning the transition from contract services to full services brought about by the annexation. The parties also intend this Agreement to address issues related to the budgeting of Fire District services within the larger taxing district created by the annexation.
- F. This Agreement is entered into pursuant to ORS 190.010.

AGREEMENT:

- 1. In the event that the Fire District Annexation Measure passes, the Parties understand and agree as follows:
 - A. Except as expressly provided herein to the contrary, the 1999 IGA and all of its terms and provisions shall be terminated and have no further force or effect once the annexation of the City to the Fire District is effective. Until such time, the Parties will continue to operate under the 1999 IGA. Notwithstanding the first sentence of this subparagraph, the provisions under the 1999 IGA governing compensation paid to the Fire District by the City shall continue to govern until the Fire District's property tax rate begins applying to properties within the City (July 1, 2011).
 - B. All personal property and equipment transferred to the Fire District by the City under Exhibits B and C of the 1999 IGA still remaining in the Fire District's inventory shall become the property of the Fire District. The Fire District may make use of the property or dispose of the property as it sees fit.
 - C. All of the real property leased to the Fire District by the City under Exhibits C and D of the 1999 IGA shall continue to be leased to the Fire District by the City up to and including June 30, 2011 (the "Fire Station Lease Extension"). At midnight on June 30, 2011 the Fire Station Lease Extension and the lease shall terminate and the Fire District shall vacate the property and surrender possession to the City. Except as otherwise provided in this subparagraph, the lease agreement between the parties set out in Exhibit D of the 1999 IGA shall continue to govern the real property leased to the Fire District by the City.
 - D. In order to lessen the impact of annexation on City property owners, the Parties agree to make the following changes to their annual budgeting processes. These provisions are in addition to and not in place of applicable requirements under Oregon's local budget law and other requirements on the local government budgeting process.
 - (1) For the fiscal year starting July 1, 2011, the City agrees to certify a property tax rate to the County Assessor that is 39¢ per \$1,000 of assessed value less than its permanent property tax rate, exclusive of bonds or local option levies (resulting in a property tax rate of \$2.4710 per \$1,000 of assessed value).

- (2) For the fiscal year starting July 1, 2011, the Fire District agrees to certify a property tax rate to the County Assessor that is 67¢ per \$1,000 of assessed value less than its permanent property tax rate, exclusive of bonds or local option levies (resulting in a property tax rate of 87.17¢ per \$1,000 of assessed value). For each subsequent fiscal year thereafter, the Fire District may certify a property tax rate that is up to 2% more than the prior year, up to the Fire District's permanent tax rate. (For example, for the second year, 87.17¢ plus an increase of 2% equals 88.91¢ per \$1,000.) Increases of up to 2% in the tax rate are intended to address inflation and other related economic pressures that make the cost of providing fire protection services more expensive from year to year.
- E. The City shall, at no cost to the Fire District and as necessary to provide sufficient fire flows for fire fighting purposes, install, maintain and replace fire hydrants within the City as the City's budget allows. At no cost to the Fire District, the Fire District may make use of City water supplies for firefighting purposes.
- F. The Fire District shall provide the City, at no cost, consulting services and advice pertaining to fire flows and fire hydrant issues. The Fire District shall, as appropriate, review building plans and land use applications for projects within the City for compliance with applicable fire prevention codes, ordinances, and programs.
2. Effective Date and Term: This Agreement shall be effective upon execution. If the District Annexation Measure fails, this Agreement shall be terminate and be of no effect. If the District Annexation Measure passes, this Agreement shall have an initial term lasting until June 30, 2013. Thereafter, this Agreement will automatically renew for successive two-year terms starting on July 1 of odd-numbered years. Except as otherwise provided in this Agreement, this Agreement may only be terminated effective June 30 of an odd-numbered year by providing at least 18 months prior written notice to the other Party.
3. Applicable Law: This Agreement shall be construed in accordance with Oregon law.
4. Modification: This Agreement may only be modified by the mutual written consent of both Parties.
5. Severability: If any part, term or clause of this Agreement is held by a court or arbitrator to be unenforceable, of no effect or in conflict with any law, the validity of the remaining provisions and clauses shall not be affected and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular part, term or clause held to be unenforceable.
6. Dispute Resolution: This procedure governs the resolution of disputes under this Agreement between the Parties and is a required condition to terminate for breach. For any violation of this Agreement, the non-breaching party may provide the breaching party with written notice that, if the breach is not cured within 45 days, the non-breaching party will have cause to terminate this Agreement. If the breach is not cured, the non-breaching party may terminate the Agreement on 60 days written notice after the cure-period has expired. Prior to issuing a notice of termination, the parties must a make good faith attempt to mediate the dispute, either informally through joint meetings or formally with a mutually agreeable mediator. Failure to seek a cure for a violation shall not waive the right of a Party to seek a cure for future violations.
7. Counterparts: This Agreement may be executed in counterparts, all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

Mayor Brubaker said the CM Willoughby and Fire Chief Buchanan would be signing the IGA pursuant to the council's and fire board's actions that evening.

Mayor Brubaker said Board Member Rob Ward suggested that we take out the 5th column on the rate sheet (Total Rate for City Taxpayers). He said staff would have a new rate sheet available tomorrow with that change.

Mayor Brubaker reminded the audience that no paid staff can campaign for this ballot measure. He asked about fire volunteer staff if that also applied to them. CM Willoughby replied, yes, fire volunteers get paid so they should only talk about it when they are away from the fire hall and on their own time; Fire Chief Buchanan agreed. CM Willoughby said that elected officials can advocate for the ballot measure.

Board Member Rob Ward asked if there was a strategy for promoting this measure within the city. Mayor Brubaker said nothing formal, but the council would be discussing their strategy. He said informally he had spoken to some citizens and told them that their total mission for the next 60 days was to assist the council in getting this measure passed.

Budget Committee Member John Murphey suggested that those campaigning have a fact sheet, so if a city taxpayer asks what happens if the measure fails, they could be shown what the true cost would be for fire protection for residents within the City of Florence.

Fire Chief Buchanan told John Murphey, that the city and the district would look to his industry (insurance) to be an advocate for this because without fire protection everyone's fire rates will go up.

CM Willoughby said we have a consultant that is going to help us put together fact sheets and educational material, but it's not intended to be electioneering because that is what we can't do.

Councilor Roberts asked if we could use our stuffer machine to put information into the water bill. CM Willoughby said we'd have to ask the Secretary of State's office; they would review things like that and will tell us if that is advocating and if it is, we don't want to do it.

Board Member Bill Mead said that equalization is going to happen, that we have an opportunity to do it in a very clean cut way and bypass a lot of problems. He said what is key to this measure passing is education and that no one gets a free ride.

Mayor Brubaker said he would look to the Fire District Board to take the lead on this as they are the experts. He said the city councilors have the responsibility to lead and justify the taxes.

With no further business, Mayor Brubaker and Board President Steve Olienyk adjourned the meeting at 6:52 p.m.

Phil Brubaker
Mayor

ATTEST:

Pat Heinze
City Recorder