

**STAYTON CITY COUNCIL  
MEETING MINUTES  
June 15, 2009**

**CALL TO ORDER**

**7:00 p.m.**

**Mayor Gerry Aboud**

**FLAG SALUTE**

**ROLL CALL**

Mayor Gerry Aboud

Councilor Loftus

Councilor Frank

Councilor Vigil

Councilor Hemshorn

Council Walters

**STAFF:**

Don Eubank, City Administrator

Rich Sebens, Acting Chief of Police

Dave Kinney, Public Works Director

Dan Fleishman, City Planner

Christine Shaffer, Finance Director

Louise Meyers, Library Director

David A. Rhoten, City Attorney

Jeffrey M. Strickland, Assistant City Attorney

Rebecca Petersen, Deputy City Recorder

**PRESENTATIONS/COMMENTS FROM THE PUBLIC**

**a. Census 2010 Presentation: Ping Khaw-Sutherland, Partnership Specialist, Census 2010.** Ms. Sutherland asked for the city's support in the upcoming census collection. The newly revised questionnaire, which will be mailed out March 2010, asks only seven questions and should not take longer than ten minutes to complete. It is very important that everyone in the household fill out a questionnaire in order to obtain a correct count. If individuals are not counted the city loses out on funding, at a rate of approximately \$1000 per person. The Census Bureau protects information that identifies residents and does not share the information with any police agencies or immigration officials.

Staff will place an article in the FRONT PORCH newsletter encouraging citizens to fill out the Census 2010 questionnaire.

**ANNOUNCEMENTS**

**a. Additions to the Agenda:** None.

**CONSENT AGENDA**

Councilor Vigil pulled item a. of the consent agenda.

**MOTION:** From Councilor Vigil, seconded by Councilor Loftus, to approve the Consent Agenda items b. c. & d. Motion passed 5:0.

Referring to page 4, Banking Services Contract, Councilor Vigil pointed out that during the meeting of June 01, 2009, Ms. Shaffer stated Mike Jaeger, Manager, West Coast Bank Stayton was part of the budget committee. Prior to the RFP being sent out for Banking Services, Mr. Jaeger resigned his position on the budget committee.

**MOTION:** From Councilor Vigil, seconded by Councilor Walters, to approve item a. of the consent agenda, the meeting minutes of June 01, 200 as amended. Motion passed: 5:0.

## **PUBLIC HEARING**

### **City of Stayton 2009 – 2010 Budget**

**a. Commencement of Public Hearing:** Mayor Aboud opened the public hearing at 7:25 pm.

**b. Staff Report:** Ms. Shaffer stated that Oregon Local Budget Law requires that a public hearing be held by the governing body prior to its adoption of a budget for the ensuing fiscal year. The purpose of the hearing is to receive public input and testimony concerning the budget approved by the City of Stayton Budget Committee.

At the Council's request, staff contacted Bob Pendleton, Santiam Heritage Foundation. He was asked to come to the meeting and answer questions the council may have regarding possible funds to purchase a lawn mower.

**c. Proponents' Testimony:** None.

**d. Opponents' Testimony:** None.

**e. General Testimony:** Bob Pendleton, Stayton. Mr. Pendleton stated that the Santiam Heritage Foundation submitted a request for \$800 to purchase a used lawn mower. The mower will be used to keep up the grounds at the Brown House. In response to a question as to whether or not \$800 is enough to purchase a good running mower, Mr. Pendleton stated that they have found a used one that will suit them just fine.

**f. Questions from Public:** None.

**g. Questions from Council:** None.

**h. Staff Summary:** Ms. Shaffer stated that staff is recommending approval of the budget as presented.

**i. Close of Hearing:** Mayor Aboud closed the public hearing at 7:31 pm.

## **NEW BUSINESS**

**Resolution No. 840, Adopting the 2009 – 2010 City Budget as Amended, Making Appropriations And Levying Property Taxes for the Fiscal year**

**a. Staff Report:** Ms. Shaffer stated that on May 11, 2009, the City of Stayton Budget Committee approved a City Budget for Fiscal Year 2009-2010, including the levying of the City's established permanent tax rate of \$3.328/\$1,000 of assessed value and a local option property tax in the fixed dollar amount of \$300,000 as approved by Stayton voters on May 20, 2008.

**b. Council Deliberation:** Councilor Loftus stated that with the closure of the Philips business, and the possibility of the building not getting sold, how will this loss impact the revenues that the city has already budgeted for? Ms. Shaffer stated that there should not be any change for this fiscal year if Philips has been making their property tax payments. Future years could be impacted if the property is not sold. The impact of losing industrial property taxes is shared with other jurisdictions in Marion County and not just Stayton. Mayor Aboud stated that Salem Economic Development Corporation (SEDCOR) feels that since the Philips building is larger than most industrial property on the market it's a good selling point. The city is working closely with SEDCOR to find an interested party for the site and will probably be offering an incentive of no Systems Development Charges since the building is existing. Councilor Vigil stated that the thirty jobs being lost is what is left over from the 400 jobs they had only a few years ago.

Councilor Vigil stated that he has an issue with personnel costs across the board, as due to the downturn in the economy wages should not be raised. Ms. Shaffer stated both the AFSCME and SPOA Unions agreed to not receive Cost of Living Allowances (COLA) for the next fiscal year, along with Management/Non-Represented Employees.

For the public's information, Mayor Aboud explained that city council members, the mayor and six individuals from the community make up the budget committee. Once the budget is approved by the committee as a whole, the council can only change 10% per budget law.

The meeting was recessed at 8:00 pm, and re-convened at 8:05 pm.

Councilor Vigil suggested reducing the total appropriations by 6%. Ms. Shaffer pointed out that by taking money from the construction fund does not give the city enough to work with. It will exceed the 10% allowed in every single fund. Mayor Aboud pointed out that if the budget would be reduced, the union wages would not be changed. The union employees are governed by their respective bargaining units, and the city has already approved their contracts. Councilor Loftus pointed out that with the current unemployment rate of 12.4% in Oregon, the city needs to do some "belt tightening". Councilor Frank stated that the budget process was done appropriately. Capital improvement projects have been previously approved by the council and they need to be paid for. Councilor Vigil stated that he is not ready to support only one option at this time, and there should be other things the city can do to reduce the budget. Mayor

About pointed out that after the budget is adopted it doesn't mean that all the money in the funds need to be spent.

**c. Council Decision:**

**MOTION:** From Councilor Frank, seconded by Councilor Hemshorn, to approve Resolution No. 840, Adopting the 2009 – 2010 Budget, Making Appropriations for the 2009 – 2010 Fiscal Year and Levying Taxes for the Fiscal Year as presented.

**DISCUSSION:** Councilor Loftus stated that the maximum amount of the proposed budget in this economy is too high, and asked his fellow council members to reconsider making a decision on the proposed budget at this meeting. Councilor Frank stated that he trusts the budget committee, staff and his fellow councilors on what has been done with the budget preparation.

**MOTION PASSED:** 3 (ayes/Frank, Hemshorn, Walters) 2 (nays/Loftus & Vigil)

**Resolution No. 842, Water Rate Increase**

**a. Staff Report:** Referring to the staff memorandum in the council packet, Mr. Kinney explained why a water rate increase is recommended, and the estimated revenue changes. Table one shows water rate increases since 2006. The rate increases were adopted to finance capital improvements, operating costs of the water system and debt service.

**b. Council Deliberation:** Councilor Loftus asked if Norpac had been notified that the city is proposing to raise water rates. Mayor About stated that a representative from Norpac attends the Commissioner's Breakfast monthly meetings. And, the issue of increased water rates has been discussed. Councilor Frank asked how much a residential water bill will be raised per month. Ms. Shaffer stated approximately \$3 if the rates are raised 12%. Councilor Frank asked if the city has seen a savings from the leak detection work that has been conducted. Mr. Kinney stated that the cost reduction that is seen is the cost for pumping, which is minimal. Councilor Frank asked what impact a 10% increase would have on debt collection. Mr. Kinney stated that at 10% it would be approximately \$20,000 for one year in revenue reduction. It would not affect the city's ability of paying back the loan, but it would impact repair projects and replacement of water lines. Councilor Vigil stated that when the rates were raised last year he was under the understanding that the percentage would be going down and not up. Councilor Loftus stated that if the rates need to be raised why not wait until the economy is better. Ms. Shaffer stated that shutoffs for non payment have gone down, as opposed to going up in these difficult economic times. Mayor About stated that the city has to pay back loans that the council has already approved. When jurisdictions apply for loans they need to demonstrate that they can raise the funds to pay back the loans. Councilor Loftus suggested deferring an increase to a later date when the economy is better.

**c. Council Decision**

**MOTION:** From Councilor Frank, seconded by Councilor Hemshorn, to adopt Resolution 842 the water rate increase from 12% to 10% effective July 01, 2009.

**DISCUSSION:** Councilor Vigil suggested not increasing the rates in July as citizens are consuming more water for irrigation during that time of year.

**MOTION AMENDED:** From Councilor Vigil, seconded by Councilor Loftus, to modify the motion to delay the increase until October 01, 2009.

**DISCUSSION:** Councilor Loftus asked if staff would make a BOLD notation on the water and sewer bills that a water rate increase is proposed. Mr. Kinney stated notification will be placed in the bills that an increase is proposed. Councilor Frank asked what the proposed impact on revenue would be if the increase does not take place for three months. Mr. Kinney stated it would be in the \$40,000 to \$50,000 range as the summer season usage is higher.

**AMENDED MOTION FAILED:** 1 (aye/Vigil) 3 (nays/Frank, Hemshorn, Walters) 1 abstention (Loftus).

**DISCUSSION:** Councilor Loftus stated that he cannot support a motion to raise the rates as it could have a negative economic impact on Norpac, and he would not want to see another business leave town. Councilor Frank stated that the water rate increase is necessary and needs to be done to pay for loans the city has already agreed to. Councilor Vigil stated that an increase in peak season would hurt Norpac.

**ORIGINAL MOTION PASSED:** 3 (aye, Frank, Hemshorn, Walters) 2 (nays, Loftus & Vigil)

### **Wastewater Treatment Plant Improvements (WWTP) / Engineering Services Agreement with Keller Associates**

**a. Staff Report:** Mr. Kinney reviewed his staff memorandum included in the council packet regarding the Engineering Services Agreement with Keller Associates. The City has a Mutual Agreement and Order (MAO) with Department of Environmental Quality (DEQ) to complete design improvements to the WWTP by November 2009, to prevent further violations of the City's National Pollutant Discharge Elimination System (NPDES) waste discharge permit. DEQ has given preliminary approval of the Pre-Design Report of the improvement project.

**b. Council Deliberation:** Mayor Aboud asked Mr. Kinney if the engineering services agreement is starting the process of the city complying with the DEQ requirements. Mr. Kinney answered in the affirmative. He stated that the recommended improvements are in the report. Depending on the amount of funding the city is able to obtain will determine how many of the improvements will get completed. Councilor Loftus asked what the amount of fines would be for non compliance of the permit. Mr. Kinney stated

that it depends on what is out of compliance and the amount of discharge that takes place. Councilor Loftus asked if a citizen could petition the city if they are against the rate increase for water and or sewer. Mr. Rhoten stated that a citizen could take action by the council on a referendum. Councilor Loftus asked if the city pays for Keller Associates air time and travel per diem. Mr. Kinney stated that hourly work is charged at an hourly rate, but it's a lump sum not to exceed for the base design. If they have to make numerous trips no additional charges are incurred by the city.

**c. Council Decision:**

**MOTION:** From Councilor Hemshorn, seconded by Councilor Walters, to move to approve the Engineering Services Agreement with Keller Associates for design of the Stayton Wastewater Treatment Plant improvements in the estimated amount of \$815,700.

**MOTION PASSED:** 5 (ayes, Frank, Hemshorn, Loftus, Vigil & Walters)

**Wastewater Treatment Plan Improvements/ Sewer Rate Increase**

**a. Staff Report:** Mr. Kinney stated that staff is suggesting that the council delay enacting a rate increase and possibly modify the sewer rate once staff has additional information on the project financing.

**b. Council Deliberation:** Consensus of the council was to delay enacting a rate increase until they have more information regarding funding of the project.

**STAFF/COMMISSION REPORTS**

**City Administrator's Report – Don Eubank**

**a. Town Hall Meetings (verbal):** A town hall meeting was scheduled for Thursday, July 23, 2009, 6:30 pm – 8:30 pm, Santiam Memorial Hospital Auditorium.

**b. Philips Products, Inc.:** Mr. Eubank reviewed his staff memorandum included in the council packet. In closing, he stated that the “sky is not falling” and that the city supports existing business anyway they can and encourages new business to join the community by providing Efficient, Effective, Friendly, Transparent, Honest and Fair City Government.

Councilor Frank stated that when a citizen has a compliment or complaint for the city how should he handle it? Mr. Eubank stated that if that occurs take the name and phone number and refer it to city staff to follow up on.

**Acting Police Chief's Report – Presented by Sergeant Meeks**

**a. Monthly Crime Rate Comparison Statistical Sheets:** Councilor Loftus stated that he appreciated the police department e-mailing the councilors regarding the recent elude. It provided him with information to answer citizen questions regarding the incident.

Ms. Meyers thanked the police department for their quick response to the library area recently, when juveniles were pulling up plants on adjacent properties. After officers contacted parents, the juveniles were back raking up the debris they had left behind.

- b. Request from Mt. Pleasant Church re: Title 5 Business Licenses, Permits & Regulations:** No discussion.

#### **Finance Director's Report – Christine Shaffer**

- a. Monthly Finance Department Report:** No discussion.

#### **Library Director's Report – Louise Meyers**

- a. May 2009 Activities:** Councilor Loftus asked about the room fees showing zero in May monthly report, the meeting room use at 252 and no internet use. Ms. Meyers stated that somehow she neglected to fill in the blank. A lot of groups are exempted from paying a meeting room fee and the 252 represents people and not rentals. Councilor Loftus stated that the new format is great and very helpful.

#### **Public Works Director's Report – Dave Kinney**

- a. May 2009 Monthly Operating Report:** Councilor Vigil pointed out that the surface of the tennis court area needs to be cleaned off. Mr. Kinney stated that staff is aware of the situation and is working on it. Councilor Vigil asked if the city would qualify for any grants to repair the community center kitchen? Mr. Kinney stated it would help but not necessarily qualify the city.

- b. Local Option Gas Tax:** Mr. Kinney reviewed his staff report included in the council packet. If the council wishes to pursue adopting a local option gas tax they need to do it soon. In May the Oregon Legislature adopted a transportation bill which prohibits cities and counties from imposing local option gas taxes beginning in late September 2009. If the city is interested in imposing a local option gas tax they have two options. Adopt an ordinance that will be in effect prior to September 15, 2009 or adopt an ordinance that will be effective before July 16, 2009, that will refer a gas tax to the voters at the special election of September 15, 2009. Mayor Aboud asked if an ordinance can be passed before the bill goes into effect, but not actually start implementing the gas tax until later. Mr. Kinney stated that he has a call into the league and is awaiting their return call for an answer. Councilors Hemshorn, Frank and Walters stated that they would like to see it on the July 06, 2009 agenda.

#### **Pool Manager's Report – Rebekah Meeks**

- a. May 2009 Pool Monthly Operating Report:** No discussion.

#### **PRESENTATIONS/COMMENTS FROM THE PUBLIC**

- a. Allison McKenzie, GROW North Santiam:** Ms. McKenzie stated that she is an Enterprise Facilitator and conducts free business coaching to assess a businesses strengths and weaknesses. In order to pursue Council Goal 6: Efficient, Effective, Friendly, Transparent, Honest & Fair, City Government, she met with city department heads in a

group setting, then individually, and in some cases their staff. What she found throughout the city was that all staff members are quite friendly and those that she spoke with, are very willing to work on improving customer service for their department. One statement she heard throughout the various departments was that the current Administration is much easier to work with than in past years. Ms. McKenzie updated the Council on what the various departments are focusing on to achieve the council's goal, and stated that she will keep the Council updated quarterly as to the progress. In closing she stated that she has never seen a group of manager's work so well together. Councilor Loftus congratulated staff.

**b. Larry Emery, Stayton.** Mr. Emery pointed out a recessed light in the ceiling of the council chambers that needs to be repaired, and asked when the council bench would be repaired? Mr. Eubank pointed out that the lower half of the bench has been repaired and within the next couple of weeks the top portion will be repaired.

**BUSINESS FROM THE CITY ADMINISTRATOR** – None.

**BUSINESS FROM THE MAYOR**

**a. City Administrator Evaluation:** An executive session was scheduled for July 13, 2009, 6:05 pm, City Hall Conference Room.

**b. Santiam Water Control District (SWCD):** Mayor Aboud stated that the SWCD manager and some of their board of directors are interested in meeting with city staff and councilors, to talk about long term relationships. Mayor Aboud and Councilor Frank volunteered to meet with them.

**BUSINESS FROM THE COUNCIL**

Councilor Frank stated that quality of life is critically important, and during these tough economic times we need to take into consideration the great place in which we live. He complimented Mr. Kinney for the good work on the project status report.

**ADJOURN**

There being no further business, the meeting was adjourned at 10:00 pm.

APPROVED BY THE STAYTON CITY COUNCIL this 6th day of July 2009, by a 5:0 VOTE OF THE STAYTON CITY COUNCIL.

CITY OF STAYTON

Date: <u>07/17/2009</u>	By: _____/S/ Gerry Aboud, Mayor
Date: <u>07/20/2009</u>	Attest: _____/S/ Don Eubank, City Administrator
Date: <u>07/15/2009</u>	Submitted By: _____/S/ Rebecca Petersen, Deputy City Recorder