

**STAYTON CITY COUNCIL
MEETING MINUTES
April 19, 2010**

CALL TO ORDER

7:00 p.m.

Mayor Aboud

FLAG SALUTE

ROLL CALL

Mayor Gerry Aboud
Councilor Frank
Councilor Hemshorn

Councilor Loftus
Councilor Vigil
Councilor Walters

STAFF:

Don Eubank, City Administrator
Christine Shaffer, Finance Director
Rich Sebens, Acting Chief of Police
Dave Kinney, Public Works Director
Dan Fleishman, Director of Planning and Development
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

SPOTLIGHT: Mary Wallace, Temp. Chairperson & Rob Bartell, Temp. Treasurer were representing Friends of the Pool. Ms. Wallace stated when she and her husband moved to Stayton a year ago and she found the pool she had come across a treasure. Going to exercise classes at the pool was wonderful and a group came up with the idea of wanting to promote the pool. The library has a wonderful "Friends of the Library" to help raise funds for the Library, so why not a "Friends of the Pool". The group is pursuing the paper work to obtain a non profit status. In order to make a viable group that is a positive addition to the community a hand out needs to be produced telling the public what the group is about and what needs for the pool they are working on, from extra equipment to possible future remodels. Additional signage with very large lettering needs to be placed on the east side of the pool building for easy visibility to those visiting the community center/library complex.

Mr. Bartell asked the council members who uses the pool and encouraged those who don't to do so. The pool allows core fitness with some semblance of motion and is a great way to keep moving. He was sent to the pool by his orthopedic surgeon and with some reservations attended, only to find out what a great facility and incredible staff the pool provides. Having attended large metropolitan centers he had never seen such a great facility and staff for such a small community. Get yourself moving in the right direction and use the pool he said.

Jason Hoffman, 1425 E. Jefferson Street, Stayton, Oregon. Mr. Hoffman stated Stayton is a good area to live in but he is concerned that not enough revenue is coming into the community, and asked what the city is doing to increase revenue and encourage folks to come to town. He said that Urban Renewal would benefit the local citizens but it would not attract outsiders into town. He asked if the city has looked at making Stayton a wi-fi hot spot as that could help encourage businesses in the area. Mayor Aboud stated that cities have looked into wi-fi and its cost prohibitive. Mayor Aboud said that Stayton has submitted an application for an Enterprise Zone and is trying to entice folks to come to Stayton. Mr. Eubank invited Mr. Hoffman to come down to City Hall and discuss his ideas with staff. Mr. Hoffman asked if land for a skate park was donated to the city by NORPAC, and Mr. Eubank stated it was but since the school objected to the location of the proposed skate park the city did not move forward with the park and returned the property to NORPAC.

ANNOUNCEMENTS

a. Additions to the Agenda: Mr. Eubank added the Wastewater Treatment Facility Improvements USDA – RUS Grant & Loan under new business. Councilor Loftus stated he would like to read a letter from Department of Justice under Council Business.

CONSENT AGENDA

Councilor Loftus asked why it took so long for the March 01, 2010 meeting minutes to come before the Council. Mr. Eubank answered it was due to a staff shortage.

- a. Approval of City Council Meeting Minutes of March 01, 2010**
- b. Approval of City Council Meeting Minutes of April 05, 2010**

Motion: From Councilor Loftus, seconded by Councilor Frank, to approve the consent Agenda. Motion passed 5:0.

PUBLIC HEARINGS – None.

UNFINISHED BUSINESS

Wastewater Treatment Facility (WWTF) Improvements 11.3 million USDA – RUS Grant & Loan

a. Staff Report: Mr. Kinney reviewed the staff memorandum outlining the scope of the proposed WWTF improvements. He stated the issue is whether or not the City should accept an \$11.3 million grant/loan award from the U.S. Department of Agriculture-Rural Utilities Services (USDA-RUS) program to fund City of Stayton Wastewater Treatment Facility (WWTF) improvements. He stated that if the City does not accept the funding by April 28, 2010 the USDA-RUS Oregon office will lose its available funding for Stayton. Mr. Kinney stated this has put the City in a bind as staff has not had a long time in which to review the offer, which therefore does not give the Council a long time to review it either.

Mr. Kinney explained that if the city accepts the grant/loan package there are obligations that the city has to comply with which are fairly standard for USDA loan project components. A couple of elements from the funding package agreement obligate the city to use the entire \$11.3 million and if the full amount is not expended the city would need to repay any grant

funds that are not expended. If the funding is accepted by the city, interim financing for one to two years for \$8.3 million would be necessary. The city would then build the project and USDA would contribute their grant money at the very end. USDA issues a note by which they buy out the financing. By the end of the project, sewer rates will need to be increased to guarantee that not only could the city pay for the debt service at \$394,000 per year, guarantee that the operations and maintenance expenses could be paid, and that the city can pay for the capital replacement of equipment that is purchased with the USDA funds. Reserves will need to be set into place to guarantee the ability to replace those items.

Mr. Kinney continued that the alternatives available are not very attractive. Although the city is under a Memorandum of Agreement with DEQ that says we have to make improvements to our Waste Water Treatment Plant, our project did not rank high enough to be funded by DEQ. If the city refuses the USDA funding it would have to get conventional financing in order to have an equivalent debt service. Although staff is disappointed that the grant is not larger than \$2 million as we had hoped for \$2.5 million to \$3 million, some of the changes with the funding package will allow us to get better use of the dollars. Whereas this funding is not from the stimulus program, the city will only need to comply with Oregon wage rates and not the federal Davis-Bacon wage rates. Staff's recommendation is to authorize the City Administrator and Mayor to proceed with the \$11.3 million financing package, or to call for a work session to discuss the details of the project.

b. Council Deliberation: Mayor Aboud asked if the money referred to in the letter is guaranteed. Mr. Kinney answered in the affirmative. Councilor Walters asked if this work has to get done, Mr. Kinney stated the first \$5 million in the project lists need to get done and of the options the city has available to them this year this is the cheapest option available. The second \$5 million has been identified in the master plan that we need to get done over the next five years and this was the most effective financing tool to get it.

MOTION: From Councilor Loftus to move into a Special Session next Monday. Motion died for lack of second.

Councilor Loftus asked if rates will be increased from \$45 to \$60 at build-out what would the amount be per household. Ms. Shaffer stated this would add approximately \$180 per household per year.

Councilor Loftus asked if the reserves are required to be \$86,000 annually is that over and addition to any other operating maintenance funds allocated to that. Referring to page 11 of the Letter of Conditions, Mr. Kinney stated the city has to provide a reserve for the existing Rural Development & DEQ loans, the new Rural Development-RUS loan and a depreciation reserve for the life of the loan agreement with USDA-RUS.

Councilor Frank asked Mr. Kinney why he was disappointed about the grant. Mr. Kinney stated he was disappointed that the grant was only \$2 million and that the process has been hurry up and wait. Once the city accepts the loan and grant package the City needs to move forward with the project, with the goal out to bid as soon as possible and under construction in the summer. Mr. Kinney expressed his concern that USDA is missing three or four staff members which could make the process longer. Councilor Frank asked why only \$2 million was received. Mr. Kinney stated, by placing the city in the Oregon allocation, the City of Stayton will receive about half of the allocation that the USDA-RUS Oregon office gets for the state. Of the eight of the fifteen million dollars that they get in their loan funds, the City is getting about 40 to 45 percent of the grant funds allocation for the state. By using the

Oregon pool of money instead of the Federal Stimulus money the project may proceed more smoothly.

c. Council Decision:

MOTION: From Councilor Frank, seconded by Councilor Walters, motion to authorize the City Administrator and Mayor Aboud to proceed with the \$11.3 million financing package for Wastewater Treatment Facility improvements and accept the terms of the Letter of Conditions with USDA- Rural Utilities Services.

Motion passed: 5:0.

NEW BUSINESS – None.

STAFF/COMMISSION REPORTS

City Administrator's Report – Don Eubank

a. Sustainability/Going Green: Mr. Eubank stated that at the last council meeting he had distributed a document for Sustainability – Going Green, which he then reviewed for the benefit of the audience. At the January 2009 Council dinner sustainability was discussed and it remains the primary focus for government and the private sector. Programs are evaluated each budget cycle to make sure they are appropriate, attainable and sustainable. Staff has looked at everything from the top of the budget to the bottom of the budget including going green. A few positions have been adjusted. The Parks and Recreation Manager position was eliminated and a Pool Manager was hired who has been on staff longer than any other pool manager the city has ever had. A Senior Engineering Technician was hired to be able to conduct and monitor many of the city's projects without hiring consultants saving the citizens thousands of dollars. Due to reduction in work the Assistant Planner was laid off. A RARE participant was hired and she is doing a fantastic job with the volunteer opportunities. Angie Lehnert has worked with the Corban College volunteers in painting the Westown wall, volunteers with planting 500 trees at Riverfront Park as well as other volunteer opportunities.

Staff evaluates spending in all departments and everyone is well aware of the tightening of our belts. Mr. Eubank reported that he and the Finance Director have attended financial classes and gained valuable insight about budgeting and forecasting over the past few years. At the last council meeting the City Council was given three documents. Document A is a copy of the Stayton Municipal Code 3.04.050 Revenue and Finance, B. (2) explains giving preferences to goods, that has been part of the city's Going Green policy since 2005 and staff uses these guidelines when making decisions regarding the use of products. Document B the Draft Sustainability Policy for the City of Stayton was compiled with information from other jurisdictions and needs to be a document that is user friendly for all of our employees. Document C is the Draft General Fiscal Policies document that says we are going to watch our budgets and do everything that we can do to make this a good city to live in and to work in. With the assistance of the Council and their policy setting and by all working together we can come up with something that we all agree too that can help us with our sustainability in the city and also help us go green.

Mr. Eubank continued that open and honest communication, along with trust in our staff has enabled the city to reduce costs. If we plan our future and our projects and make them realistic we will continue to thrive during these economic times. Staff has been preparing a budget and it's going to be a tough year and we all have to work together and all make sure to work towards sustainability. January 2009 and tonight Mr. Eubank reported he has given the Council information on what we have done and plan to do to keep the City of Stayton Sustainable and with your help and guidance we will survive and work through these tough times together.

Councilor Frank stated this would be a good partnership between community and government.

Councilor Walters complemented staff on a fine job and said this is the direction the city needs to be going. Mr. Eubank stated Ms. Shaffer gets the credit as she prepared most of the documents.

b. Pavement Management Financing Work Session: A majority of the council members stated they would be available for a work session on Tuesday, April 27, 7:00 pm, Community Center.

Finance Director's Report – Christine Shaffer

a. Monthly Finance Department Report: Ms. Shaffer stated the monthly financial statement is looking pretty good. The one fund that looks out of line is the street fund. The city has submitted for the reimbursements of that fund. The STP funds have to be spent before they can be reimbursed so hopefully they will be in within the next 30 to 45 days. There were no questions from the Council.

Acting Police Chief's Report – Rich Sebens

a. Statistical Report for March 2010: Mr. Sebens stated that everything seems to be in line for the month of March. (There were no questions from the Council)

b. Oregon Dept. of Transportation Speed Grant for Radar: Mr. Sebens stated the city is applying for a grant in the amount of \$2,400 to purchase radar equipment. The city will have to match \$600 in funds and the officers' hourly rate of pay can be used. In response to a question as to when the grant would be received Mr. Sebens answered in the next fiscal budget. Councilor Vigil asked if the hours are billable hours or actual hours worked. Mr. Sebens stated it is broken down through finance for what the city pays the officer.

Library Director's Report – Louise Meyers

a. Activities/Statistics: Ms. Meyers stated the Library continues to stay busy. Year to date 109,000 items have been checked out over 101,000 last year. Check outs for the month of March were 13,000. Census staff were located at the Library recently and offered their help to those needed assistance in filling out their questionnaires and to provide forms for those citizens that had not received one in the mail. The Library will be hosting the first "Dia de Los Ninos y Los Libros" (Day of the child, and day of the book) on April 29th featuring

multi-cultural music and story telling. In March several staff members were able to attend the Public Library Association National conference in Portland. They used their off time for the event which was paid for by scholarships from the Oregon Library Association.

Public Works Director's Report – Dave Kinney

a. Monthly Operating Report: Mr. Kinney reminded folks that the City of Stayton has purchased water from the City of Salem for approximately one month during the time that work is taking place at the water plant; the work should be completed by May 10, 2010. A dive team conducted work on Well 75 and scrubbed a lot of iron bacteria from the well casing and collector line making the water flow better.

Councilor Frank stated that an incredible amount of work has gone into the tree plantings at Riverfront Park. Mr. Kinney stated that Parks Board member Griffin Green has volunteered to water the plants and to work with Bob Parsons, Parks Maintenance Staff, to ensure the success of the plantings.

Pool Manager – Rebekah Meeks

a. Monthly Operating Report: Ms. Meeks thanked both Mary Wallace and Rob Bartell with Friends of the Pool for their representing the pool. Numbers at the pool are once again looking really good, classes are moving along and the pool is becoming a hub for the 40ish and mature population. More pool signups are beginning tomorrow and it is anticipated classes will fill up quickly. In response to a question regarding why the March 2009 sales were higher than the March 2010 sales, Ms. Shaffer stated that due to the maintenance schedule of the boiler, it put the lesson schedules off somewhat.

PRESENTATIONS/COMMENTS FROM THE PUBLIC

a. Art Christensen, Stayton, Oregon. Mr. Christensen stated he was very disappointed that the Council did not take longer to discuss the Wastewater Treatment Facility Improvements. A decision did not have to take place so quickly, to spent \$11 million and not even take the citizens into consideration is not right. Mayor Aboud stated this issue has been discussed for four to five years already and while not a lot of discussion regarding this proposal has taken place this evening it has happened in the past.

BUSINESS FROM THE CITY ADMINISTRATOR

Mr. Eubank stated the upcoming budget for fiscal year 2010 - 2011 will soon be distributed and the first meeting of the Budget Committee will take place on Tuesday, May 4th, 7:00 pm. Mr. Eubank stated that if councilors have any questions regarding the document, please contact Ms. Shaffer or him. Mr. Eubank reported that this year Ms. Shaffer and he conducted a Budget Orientation and two new members of the committee attended along with a couple of Council members and Ms. Shaffer met individually with others. This is not going to be an easy budget year but since we are prepared it will be a smoother session.

BUSINESS FROM THE MAYOR – None.

BUSINESS FROM THE COUNCIL

Councilor Loftus stated had he been aware at the last Council meeting that David Rhoten would be presenting information from the Attorney Generals Office he would have been prepared and brought the letter from the Department of Justice, Criminal Justice Division dated March 23, 2010; Councilor Loftus read the entire letter.

There was some harsh criticism at the last Council meeting that Councilor Loftus said he believes violated the recently adopted protocol procedure. There were personal attacks, and Councilor Loftus brought it up because he just wanted to make it clear that when he made the point he truly had in my mind no recourse when the City Administrator is also the Acting Chief of Police to file a criminal complaint. Councilor Loftus said he would like to personally apologize for any harm that he caused Beki Petersen. Councilor Loftus continued it was not his intent to disparage any one, it was his intent to get at the truth, and with that he is going to withdraw his complaint without prejudice.

PROJECT STATUS REPORT – No discussion.


ADJOURN

There being no further business, the meeting was adjourned at approximately 8:15 pm.

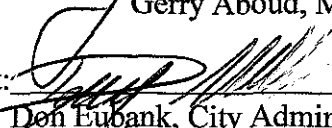
APPROVED BY THE STAYTON CITY COUNCIL this 3rd day of May 2010, by a 4:0 VOTE OF THE STAYTON CITY COUNCIL.

CITY OF STAYTON

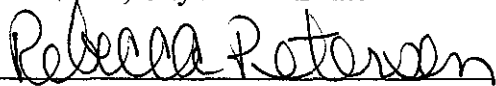
Date: 5/3/2010

By: 
Gerry Aboud, Mayor

Date: 5/4/10

Attest: 
Don Eubank, City Administrator

Date: 05/04/2010

Transcribed by: 
Rebecca Petersen, Deputy City Recorder