

**STAYTON CITY COUNCIL
MEETING MINUTES
March 15, 2010**

CALL TO ORDER

7:00 PM

Gerry Aboud

FLAG SALUTE

ROLL CALL

Mayor Gerry Aboud
Councilor Frank
Councilor Hemshorn

Councilor Loftus (arrived at 7:03 p.m.)
Councilor Vigil
Council 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 & Development
Louise Meyers, Library Director
David A. Rhoten, City Attorney
Jeffrey M. Strickland, Assistant City Attorney
Debbie Layman, Records Supervisor, Police Department
Rebekah Meeks, Pool Manager

PRESENTATIONS/COMMENTS FROM THE PUBLIC SPOTLIGHT: Park & Recreation Board Update presented by Dennis Vietzke, Chair, Raechelle Brown, Vice-Chair, and Alissa Angelo, Public Works Administrative Assistant.

Raechelle Brown and Alissa Angelo presented a PowerPoint presentation overview of the City's grant application to the Oregon Parks and Recreation Department for improvements to Santiam Park. The proposed grant requests \$120,000+/- in grant funds to assist with the addition of a picnic shelter, public restrooms, safety play surfacing, Americans with Disabilities Act (ADA) improvements and a play court. Ms. Brown explained that the Parks Board held an open house at Lakeside Assisted Living Center to solicit public comments and circulated a written survey to residents in the surrounding residential neighborhood. Citizen priorities were addition of the restroom, shelter and lighting to improve safety at the park.

Dennis Vietzke informed the Council of the recent construction of new horseshoe pits at Pioneer Park. He then presented maps and a design concept for the proposed pedestrian bridge over the Stayton Ditch east of 4th Avenue. Chairman Vietzke complimented the Parks Board and informed the Council they are working hard on a number of projects. At the end of his presentation he showed a map of all nine of the City's parks that the Parks Board has responsibility for.

ANNOUNCEMENTS

a. Additions to the Agenda: City Administrator Don Eubank added an updated Resolution for approval of the Transportation and Growth Management grant proposal for the Transportation System

Plan update. Mayor Aboud stated this would be added to the agenda after the enterprise zone discussion.

CONSENT AGENDA

a. City Council Meeting Minutes of February 16, 2010. City Administrator Eubank and Mayor Aboud noted the staff handed out an addition to the minutes to reflect the Public Works Directors report on the 10th Avenue property asbestos abatement.

Motion: From Councilor Vigil, seconded by Councilor Walters, to approve the consent agenda with the amended meeting minutes of February 16, 2010. Motion passed: 5:0.

PUBLIC HEARINGS – None.

UNFINISHED BUSINESS – None.

NEW BUSINESS

Resolution No. 851 Enterprise Zone

a. Staff Report – Dan Fleishman. Mr. Fleishman presented a staff report authorizing the submittal of an Enterprise Zone application to the Oregon Business Development Department (OBDD) for an Enterprise Zone that covers most of the City of Stayton's industrial area. He explained an Enterprise Zone provides tax incentives for qualified manufacturing concerns that make new investment within the zone and hire new employees. Eligible firms will qualify for a property tax exemption for a 3 or 5 year period. The standard exemption is 3 years, but if family wage jobs are created with wage rates higher than those in the Marion County area, then the property tax exemption can be 5 years. The Oregon Legislature has authorized a limited number of enterprise zones within the State of Oregon. Twelve (12) enterprise zones this year. Mr. Fleishman informed the Council that OBDD staff anticipates that at least three of the zones will not apply for redesignation. Each application for an enterprise zone is scored based on economic thresholds including employment rate, poverty level, income levels and population growth. Mr. Fleishman concludes the Stayton Enterprise Zone would qualify at the maximum point total if the Council supports the submission of the application. The area designated in the application is larger than the Stayton industrial area, because the City needs to provide reliable economic data for a block group under U. S. Census data for the 2000 Census. In looking at the 2 block groups that include the city's industrial area, the poverty group, income group and average annual unemployment rate for the City in 2009 meets the qualifying criteria with OBDD.

On March 4, 2010 the City held a public meeting to discuss the Stayton Enterprise Zone application. Representatives of area taxing districts were invited. The Water Control District, and Chemeketa Community College attended. The Fire Chief expressed no concerns in a conversation with the City Administrator. No other taxing districts contacted the City.

Under the state regulations, the City must designate an Enterprise Zone manager. SEDCOR is willing to serve as the City's Enterprise Zone manager. SEDCOR currently plays this role for the City of Salem.

The Council may approve the application or not. Mayor Aboud asked if the City can opt out after three to five years if the Stayton Enterprise Zone is not successful. Mr. Fleishman did not know the

answer. He noted that should no development occur, the City and other taxing entities will not lose anything, because there would not be any new real property or industrial machinery investments added to the tax rolls. Under the current statutes, the Enterprise Zone expires in 2013. The legislature must authorize this extension in the 2012 Oregon legislative session. Mayor About complimented Mr. Fleishman on his staff report.

Councilor Frank stated that he has done some research on Enterprise Zones. Mr. Frank said that his research indicates there are some flaws with the Enterprise Zone in practice. He asked what is the rate of return on the public costs for the creation of an Enterprise Zone. Mr. Fleishman replied the State of Oregon Office of Legislative Revenue found that on average that it takes 7 years after the tax exempt property comes back on the tax rolls for the property taxes to catch up with the lost property taxes. The other measure of return was the cost to the taxpayer. First, in looking at all zones, there was an average cost of \$11,200 per new job created. For non-power related facility investments in Oregon enterprise zones, the local government's average cost (taxes not collected) was \$7,800 per new job created.

Mr. Fleishman noted that under the Enterprise Zone, this is a tax exemption and taxes are not collected by any of the taxing entities. Mr. Frank indicated that the loss of property tax in an Enterprise Zone would impact schools. Mr. Fleishman concurred that this affects all taxing districts. Mr. Frank said that his concern is that the State does not consider the impact on smaller communities. Mr. Fleishman responded that for a community like Stayton, the Enterprise Zone program provides an incentive for development to happen, that the City has already said at a policy level and planning process that it would like encourage light industrial development. The City has adopted a Comprehensive Plan, development codes and development standards which encourage or support industrial developments within areas designated in the plan. Under the enterprise zone regulations, the City does not waive zoning, SDC fees, environmental laws, or public facility standards. He stated if the City wants new jobs and new investment, the City may be willing to give up 3 to 5 years of property taxes to encourage this new investment in a local community. What the City cannot measure is whether or not a company may or may not have made the investment if the Enterprise Zone had not been created.

Councilor Vigil noted that twelve zones will expire. He asked of the nine that will be reapplying, will they have preference over any new applicants. Mr. Fleishman said he had spoken with the OBDD Enterprise Zone project manager that the competition will be a level playing field for all applicant communities. He indicated that some applications are sponsored by Cities, Counties, Ports and other governing bodies.

Councilor Loftus asked if the City of Stayton can provide similar tax exemptions if the City is not selected for an enterprise zone. Mr. Fleishman said that the City cannot grant a tax exemption for other taxing entities.

Councilor Frank requested the Council discuss this issue before it proceeds. Councilor Loftus noted that on page 5 under Economic Needs & Hardship, there is a minor typographical correction. Mr. Fleishman said he would review the application and make this correction and will make additional corrections if needed.

Motion: From Councilor Vigil, seconded by Councilor Walters, to approve Resolution 851 authorizing the submittal of the Stayton Enterprise Zone application.

Discussion: Councilor Walters stated he does not want to give anything away, but that if approved the Stayton Enterprise Zone will provide the same incentives as other enterprise zones, and make the City of Stayton competitive. This is a carrot to encourage new businesses. He would like to gain 100 years of property taxes rather than lose them to another community. Councilor Hemshorn stated the City has been losing businesses and she sees the Stayton Enterprise zone as a tool to bring in new employees and she supports the application. Mayor Aboud commented that if a company made a \$10,000,000 investment, the City will forego \$33,000 per year in property taxes and \$160,000 over 5 years. If a company says they will not locate here without the enterprise zone designation, then Mayor Aboud asked if the City Council wants the City to forego this opportunity. Councilor Frank stated that he wants people to come to Stayton because of what the community has to offer. He does not want to give away anything, including property taxes, in order to lure new businesses and investment. Mr. Frank does not think that the enterprise zone incentives will be a sufficient reason for people to come to Stayton.

Councilor Vigil says there are two perspectives. He noted that Councilor Frank says he doesn't want to give away things out of the ordinary. However, Councilor Vigil says that relocating businesses or new businesses are looking for local incentives and will be likely to go to a community where those incentives are offered. He concluded that without the enterprise zone designation, the City will not be competitive. Councilor Hemshorn stated that in order for the City to be competitive, it may cost us for awhile, however, she concluded obtaining an enterprise zone designation may be necessary to be competitive. Councilor Walters noted that there will be other economic benefits for new jobs including retail sales at local businesses, the sale of real estate and other secondary economic benefits. Mr. Frank asked how many enterprise zones there are in Oregon. Mr. Fleishman stated there are 54 zones throughout the state. Councilor Loftus concluded that he believes it is appropriate to pursue the application.

Mayor Aboud called for a vote on the issue.

Motion passed 4:1 (Frank opposed).

Resolution No. 852 - TGM Application:

a. Staff Report. Mr. Fleishman thanked the council for considering this issue. The submitted application to the Oregon Department of Transportation's Transportation and Growth Management (TGM) program on March 12, 2010. The application requests \$108,000 in TGM grant funds, which is more than the \$75,000 previously authorized by the Council. The City proposes to provide a \$24,000 match which will include a \$15,000 cash match funding from the Streets Fund and \$9,000 of in-kind non-cash contributions from the Public Works and Planning Departments. If the Council does not approve, the staff will contact ODOT to modify the application.

Councilor Vigil asked if the City applies for a larger grant, would that affect any other grant applied for in the future. Mr. Fleishman said no, the size of this grant should not affect future grant applications, under this program or other state grant programs.

In response to a question from Councilor Loftus, Mr. Fleishman indicated that the City's transportation consultant reviewed the application and budget. They recommended a series of modifications to the work program, including adding elements for a "Safe Routes to Schools" element of the grant application and how the City can work to reduce congestions at key intersections near key facilities. The budget was modified to reflect a more accurate time and materials costs from the Transportation

consultant for working on each of the work elements in the plan. In response to a question from Councilor Vigil, Mr. Kinney stated that development of specific plans and project proposals may make the City more competitive when applying for future grants from ODOT and other agencies.

Motion: From Councilor Hemshorn, seconded by Councilor Walters, to approve Resolution No. 852 as presented. Motion passed: 5:0.

Pavement Management Financing Alternatives

a. Staff Report: Dave Kinney, Public Works Director presented a PowerPoint presentation regarding future financing for street maintenance.

Mr. Kinney reviewed the results of the 2009 Community Survey questions related to streets and sidewalk maintenance. He noted that 50% of surveyed residents rate the quality of street maintenance as poor or very poor; 75% believe the City should devote more resources to streets and sidewalk maintenance; and 64% stated they would support increased taxes to improve street maintenance.

Mr. Kinney reviewed the policy discussions related to streets maintenance and financing which the Stayton City Council has had over the past twenty five years, with a report on the City's 2006 Pavement Management Report and recommendations. The City Council has consistently set a goal to establish a long-term stable financing source for street maintenance. The City relies on the state gas tax distributions and one-time funding opportunities to pay for street maintenance and special projects.

Mr. Kinney review the 2009-2010 Street Fund budget including revenues and expenditures. He provided a projection of the 2010-2011 Street Fund budget. He noted that the City has considered several financing options including a local option gas tax, federal stimulus funds, transfers from the General Fund, a Transportation Maintenance Fee, local option levies, franchise fees and a general obligation bond issue.

The final part of the presentation focused on proposals for the implementation of Transportation Maintenance Fee as a monthly charge on utility bills and/or the presentation of a general obligation bond issue to the voters in November 2010 or May 2011.

b. Council Deliberation: Councilor Frank stated that he would like to see the City Council move forward with a general obligation bond on the November 2010 election. He also stated that he supports a transportation maintenance fee with a sunset clause and targeted toward designated projects. Mr. Kinney answered several questions from councilors about what type of projects could be funded with a general obligation bond or transportation maintenance fee.

Councilor Walters indicated he would like to have a work session to discuss the issue. Councilor Hemshorn concurred a work session is needed, but feels the staff will need to provide additional information to the City Council. City Administrator Don Eubank noted that he and the Public Works Director have had several discussions on policy options and choices, but there is a need to share information more detailed information on proposed projects and costs with the City Council before a proposal is agreed to. Councilor Loftus stated that he believes the City should look at all options available for financing street maintenance before making a decision. He expressed concern that a general obligation bond issue will be a difficult sell to the public during trying economic times. Councilor Loftus requested staff provide information on the trip generation numbers and potential transportation maintenance fees for the larger commercial and industrial users, such as Safeway, and

restaurants. Councilor Walters requested the staff estimate costs for repairing our existing streets but also how much it will then take to maintain our investments once rehabilitation work is completed. He stated his goal is that streets not get worse every year.

At the conclusion of the discussion Mayor Aboud asked City Administrator Eubank to identify several dates for a work session on this issue.

STAFF/COMMISSION REPORTS

Finance Director's Report – Christine Shaffer

a. Monthly Finance Department Report: Christine Shaffer shared the monthly financial reports and noted they are looking good. In response to a question from Councilor Frank, City Administrator Eubank said that councilors are invited to one to one discussions on the budget and the staff will be setting up a budget orientation workshop in March or April for new budget members and interested members of the budget committee.

Acting Police Chief's Report – Rich Sebens

a. Statistical Report February 2010: Acting Chief Sebens is pleased with the increased traffic enforcement and lowering of the number of accidents. The statistics show alcohol related crimes were up. He reported there have been 2-3 Minor in Possession parties which were broken up by officers and other OLCC liquor violations investigated by officers. Councilor Loftus asked about Code Enforcement for animal control. Mr. Sebens said that the ordinance statistics were accidentally omitted from the report this month. City Administrator indicated this report will be emailed to city councilors.

b. Crosswalk Grant: Acting Chief Sebens announced the City has been awarded a crosswalk safety grant from the Traffic Safety Alliance to continue the City's crosswalk enforcement program. The Police Department will begin this work in April 2010.

Planning Director's Report – Dan Fleishman

a. Americorp Project – Corbin College Students Volunteers: Since Mr. Fleishman left the meeting early. The City Administrator requested Randy Cranston and David Kinney give this report.

Randy Cranston, 372 SE. Church St., Sublimity. Mr. Cranston stated he serves on the regional Habitat for Humanity board of directors. The local Habitat chapter solicited support from Corban College students. The college has thirty baseball players who would have volunteered to put in 24 hours of community service, per person during the Spring break week, March 22 to March 25, 2010. Habitat for Humanity will have difficulty fulfilling all these hours, since their new house on 4th Avenue is nearing completion. Mr. Cranston informed the Council he has been working with the City staff to identify projects in Stayton which the Corban College students can assist with. Mr. Kinney reported that Angie Lehnert and Bob Parsons are working on putting a list together and will coordinate with Habitat for Humanity to take advantage of the student's volunteer hours.

Library Director's Report – Louise Meyers

a. February 2010 Activities/Statistics: Library Director Louise Meyers acknowledged the Statesman-Journal article on library usage that was published in the March 14, 2010 newspaper. Statesman-Journal Reporter Barbara Curtin interviewed her and did a very nice article with pictures of the Stayton, Independence and Salem libraries. Ms. Meyers noted that the article reported Stayton circulation was up significantly in both 2008-2009 and the current year, while Salem library's circulation numbers were static. She concluded "We are doing things right".

b. U. S. Census. The Library Director reported the U.S. Census Bureau has been using the library meeting room for a training session for local workers who will be collecting Census data. Starting on Wednesday, March 17, 2010 Census workers will be in the library meeting room on Wednesdays (12-8) and Saturdays (10-3) to help citizens fill out the Census.

c. Library Activities. Ms. Meyers reported on other library activities. She stated that the Library hosted AARP classes for drivers aged 55 and up. She complimented the Stayton Police Department for a recent staff training on "how to deal with problem patrons". She reported Sgt. Meeks provided good information to the library staff. Overall, she reported things are going well at the library.

Public Works Director's Report – Dave Kinney

a. February 2010 Operating Report. No additional Report

Pool Manager's Report – Rebekah Meeks

a. February 2010 Operating Report. Rebekah Meeks noted that February 2010 usage numbers were up – 2900 patrons. She stated this did not include swim team usage or rentals. Pool staff has seen increased usage from current patrons but also people from Silverton and other locales outside Stayton coming to the pool for lessons.

PRESENTATIONS/COMMENTS FROM THE PUBLIC

Larry Emery, 438 W. Burnett St.: Mr. Emery noted two things E. Santiam Street utility crossings, requested these patches be completed, particularly if SCTC is working in the area. Mr. Emery is concerned with ADA ramps and will continue to be concerned. He noted two power ramp chairs – there are no HC ramps on Regis Street and this is a huge hazard. We have significant problems and he would like to see ADA issues considered.

Art Christensen, Stayton: Mr. Christensen agreed streets need to be fixed. He is concerned that the City use of a Transportation Maintenance Fee is the wrong way to finance street maintenance and improvements. He encouraged the Council to use of a general obligation bond issue, rather than an additional fee added to the utility bills.

BUSINESS FROM THE CITY ADMINISTRATOR

City Administrator Eubank advised the Council that the staff will be holding a budget orientation session in late March or April for budget committee members. Councilors are invited.

BUSINESS FROM THE MAYOR

a. Appointment of Larry Emery – Park & Recreation Board: Mayor Aboud appointed Mr. Emery to the Parks and Recreation Board.

Motion: From Councilor Frank, seconded by Councilor Vigil, to appoint Larry Emery to the Parks and Recreation Board. Motion passed: 5:0.

b. Appointment of Jennifer Godfrey – Budget Committee: Mayor Aboud appointed Ms. Godfrey to the Budget Committee. He noted she is a long time resident who works for State Parks department and has budget experience.

Motion: From Councilor Frank, seconded by Councilor Hemshorn, to appoint Jennifer Godfrey to the Budget Committee. Motion passed: 5:0.

c. Comprehensive Plan Review Committee: Mayor Aboud announced he has put together a list of seven individuals to appoint to the Comprehensive Plan review committee. He noted that more than seven people have expressed interest in serving on the committee, including many who live outside the city limits and urban growth boundary. He stated that he is inclined to appoint seven people and designate others as alternates. Councilor Loftus asked if the Committee could be expanded to take advantage of the additional volunteers. In response Councilor Loftus' question, the Mayor expressed his concern that if the Committee meeting dates don't work for some, then others may be available to take their place. Councilor Vigil stated that he would like to see the number on the committee stay at seven. Mayor Aboud stated that he would email a list of prospective committee appointments prior to the next City Council meeting.

BUSINESS FROM THE COUNCIL

a. Via Magazine: Councilor Frank noted that the VIA magazine published by the Oregon-Idaho Chapter of the American Automobile Association would be a great way to advertise Stayton. Ms. Shaffer stated that Stayton had been in an earlier issue that featured the bridge.

b. 1st Avenue Street Repairs: Councilor Frank told the Council that he has spoken to Bill Worcester, Marion County Public Works Director, about 1st Avenue street repairs. Mr. Worcester informed Mr. Frank that Marion County will be making some repairs. Mayor Aboud confirmed Mr. Worcester announced at the City's March breakfast with the County Commissioners that the County intends to fix 1st Avenue from Ida St. south to the N. Santiam River bridge in the next fiscal year.

c. Police Advisory Committee: Councilor Frank asked when the Police Advisory Committee will be appointed. Acting Chief Sebens explained there have been various attempts to invite community members to attend a local "Police Citizens Academy", but few individuals expressing interest attending the academy. It had been his hope that individuals trained in the academy would be potential candidates for the advisory committee. Chief Sebens went on to explain he had modified his strategy to first find citizens who will be willing to serve on the advisory committee and then organize training sessions using the Police Citizens Academy format. The next step is to identify roles and functions for the Police Advisory Committee and present that information to the Mayor and City Council. City Administrator Eubank said the Police Advisory Committee would be formed before the end of the fiscal year.


PROJECT STATUS REPORT – Written Handout, No Report.

ADJOURN. The meeting was adjourned at 9:30 p.m.

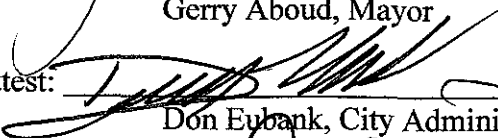
APPROVED BY THE STAYTON CITY COUNCIL this 5th day of April 2010, by a 5:0 VOTE OF THE STAYTON CITY COUNCIL.

CITY OF STAYTON

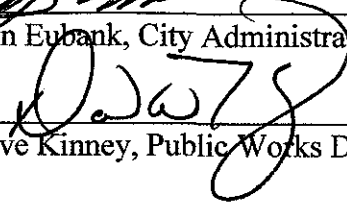
Date: 4-20-2010

By: 
Gerry Aboud, Mayor

Date: 4/21/2010

Attest: 
Don Eubank, City Administrator

Date: 4-13-2010

Submitted By: 
Dave Kinney, Public Works Director