

CITY OF STAYTON
MEMORANDUM

TO: Mayor Scott Vigil and the Stayton City Council
FROM: Christine Shaffer, Interim City Administrator
DATE: January 6, 2014
SUBJECT: Mayors appointment of the City Administrator

ISSUE

Keith Campbell has returned his signed employment agreement with the City of Stayton.

BACKGROUND INFORMATION

At the December 16th City Council meeting the Council gave staff the direction to move forward with the recruitment process. A conditional offer of employment and employment agreement were sent to Mr. Campbell. The terms of the agreement were acceptable with two recommended changes, Mr. Campbell would like to begin work on February 3, 2014 and he has requested 3 months of severance pay.

RECOMMENDATIONS

1. Move forward with the appointment of Keith Campbell as the new City Administrator for the City of Stayton.
2. Do nothing.

MOTIONS

3. Offer a motion for the Mayor to sign the Employment agreement between the City of Stayton and Keith Campbell for the City Administrator position.
4. No motion necessary.



City of Stayton

Administration • Finance

362 N. Third Avenue • Stayton, OR 97383
Phone: (503) 769-3425 • Fax: (503) 769-1456

December 17, 2013

CONDITIONAL OFFER OF EMPLOYMENT

Dear Keith Campbell,

Your application and background investigation for the position of City Administrator with the City of Stayton has been reviewed, and we hereby tender you a Conditional Offer of Employment for the above position, at a pay rate of \$97,500 per year, together with the standard benefits package as provided by the City of Stayton for its employees.

Enclosed you will find the proposed Employment Agreement for your review. The Agreement has a tentative effective date of February 1, 2014. However, if you feel an earlier date can be accommodated please let us know. The City of Stayton will reimburse you for up to \$5,000 for moving expenses.

This offer of employment is conditional upon you successfully completing a drug and alcohol screening conducted by a certified testing facility selected by the City of Stayton. Should you fail to pass the above requirement, which is related to a disability, the City of Stayton will investigate the circumstances to determine whether a reasonable accommodation can be made that will permit you to perform the essential job functions required of the position without undue hardship or disruption to the employer. If such accommodation is not possible or practicable, this offer of employment will be withdrawn.

If you should have any questions, please contact Interim City Administrator Christine Shaffer at (503) 769-3425 or via email at cshaffer@ci.stayton.or.us.

Sincerely,

A. Scott Vigil
Mayor

Police

386 N. Third Avenue
Stayton, OR 97383
Phone: (503) 769-3423
Fax: (503) 769-7497

Planning

362 N. Third Avenue
Stayton, OR 97383
Phone: (503) 769-2998
Fax: (503) 767-2134

Public Works

362 N. Third Avenue
Stayton, OR 97383
Phone: (503) 769-2919
Fax: (503) 767-2134

Wastewater Facilities

950 Jettens Way
Stayton, OR 97383
Phone: (503) 769-2810
Fax: (503) 769-7413

Public Library

515 N. First Avenue
Stayton, OR 97383
Phone: (503) 769-3313
Fax: (503) 769-3218

EMPLOYMENT AGREEMENT

This Employment Agreement, hereafter referred to as “Agreement,” is made and entered into by and between the CITY OF STAYTON, an Oregon municipal corporation, hereinafter referred to as “City,” and Keith Campbell, hereinafter referred to as “Administrator” both whom understand and agree as follows:

RECITALS

Whereas, City is a municipal corporation, duly organized under the statutory authority of the State of Oregon;

Whereas, it is the desire of the City to provide certain benefits, establish certain conditions of employment, and to set working conditions of said Administrator; and,

Whereas, Keith Campbell desires to become employed as City Administrator for the City of Stayton;

NOW, THEREFORE, In consideration of the mutual covenants herein contained, the parties agree to the above recitals and as follows:

1. **Duties.** City agrees to employ Administrator to perform, on a continuing basis, the functions and duties of the position which are generally described in the Stayton City Charter, Section 34 “Administrator” (Exhibit A), Chapter 2.08 of the Stayton Municipal Code (“SMC”), and other applicable provisions, and the proper duties and functions as the City Council shall from time to time assign.
2. **Term and Effective Date.** The term of this Agreement shall be for three (3) years commencing on the effective date of February 1, 2014.
3. **Termination.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Mayor, with the consent of the City Council, for any reason whatsoever, with or without cause, to terminate the services of Administrator at any time prior to the expiration of said Agreement, subject to the provisions of this Agreement.
4. **Termination for Cause.** If Administrator is terminated during the term of this Agreement for cause, City shall have no obligation in respect to the severance pay described in Section 6. For the purposes of this Agreement, “cause” is defined as follows:
 - A. Indictment for an illegal act. If such indictment does not ultimately result in a conviction, then the Administrator shall receive severance pay. If the indictment does ultimately result in a conviction, the Administrator shall not receive severance pay; or,
 - B. Abandonment by the Administrator of his position as City Administrator; or,
 - C. The determination that the Administrator has committed an act of fraud, dishonesty, act of misconduct or failure to perform his duties on behalf of the City. Such determination shall be made in accordance with the disciplinary and grievance

procedures set forth in the adopted personnel policies of the City in force or effect on the date of the alleged misconduct. Provided, however, that a determination by the City Council that the Administrator has committed an act of fraud, dishonesty, act of misconduct or failure to perform shall, upon the written election of the Administrator, delivered to the City Council within ten (10) days of receiving notice of such determinations, be submitted to arbitration pursuant to the terms and provisions of ORS 36.300 to ORS 36.365.

5. Voluntary Resignation. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Administrator to voluntarily resign at any time from this position. In the event the Administrator does voluntarily resign prior to the expiration of this Agreement, the Administrator shall give the City a minimum of thirty (30) days written notice, unless the parties mutually agree otherwise. In the event of the Administrator's voluntary resignation, the Administrator shall not be entitled to severance pay as provided herein at Section 6.

6. Severance Pay.

- A. Except for the Administrator's termination for cause, as defined in Section 4 of this Agreement, the Administrator shall be entitled to receive either a lump sum or monthly severance payments (as mutually agreed) and three (3) month family health insurance coverage in the event the Administrator is terminated by the City prior to the expiration of this Agreement. Termination by the City, as used in this Section, means The Administrator's discharge or dismissal by the City, for reasons other than cause, or the Administrator's forced resignation following the request to him by the Mayor, subject to the consent of a majority of the City Council (SMC 2.08.180 (1)), that he do so for reasons other than cause.
- B. The lump sum or monthly severance payment described in this Section shall be equal to three (3) months base salary at the time of termination.
- C. As used in this Section, base salary shall be the base monthly compensation in effect at the time of termination, including any merit or cost of living increases applied since the inception of this Agreement. Said severance pay shall be paid to the Administrator within thirty (30) days after the effective date of termination unless otherwise agreed in writing.

7. Compensation. Beginning with the effective date of this Agreement, the City agrees to pay the Administrator, compensation for his services to the City, as follows:

- A. Base salary shall be \$97,500.00 annually. The Administrator shall be paid at the same place and time as other City employees are paid.
- B. In addition to the base salary, the Administrator shall be entitled to any cost of living salary increases that are received by other City employees who are not subject to separate bargaining agreement. This shall include any cost of living increases applicable on the effective date of this Agreement that would have the effect of increasing the base compensation stated in 7.A above.

- C. Annually, following a satisfactory performance evaluation by the City Council, an increase in base salary, or other forms of remunerations, based solely on merit, may be mutually negotiated with the City Council.
 - D. All compensation described in this Section shall be subject to customary withholdings of income taxes and shall be subject to usual employment taxes required with respect to compensation paid by the City to an employee.
- 8. Acceleration of Compensation.** The City Administrator is the chief executive officer of the City government and should be compensated accordingly. The City shall ensure that the Administrator continues to be the highest paid City employee throughout the course of this Agreement.
- 9. Retirement.** The Administrator shall, as required by State Law, participate in the City Retirement Program. There is a 6% employee contribution portion required by law.
- 10. Paid Leave.** The Administrator shall be entitled to earn, accumulate and utilize certain types of paid leave time as follows and shall maintain any leave accumulated during his tenure as Interim City Administrator:
- A. Sick Leave. Throughout the term of this Agreement, the Administrator shall earn paid sick leave at the rate of one day eight (8) hours per month credited monthly. The Administrator may utilize earned and accumulated sick leave at any time following the effective date of this Agreement. Sick leave shall be utilized subject to the terms and conditions of Section 6.3 of the City Personnel Manual to the extent that such terms and conditions do not conflict with the terms of the Agreement, in which case this Agreement shall govern. In the event of the Administrator's resignation or termination for any reason, all remaining earned and unused sick leave shall be forfeited.
 - B. Vacation. Throughout the term of this Agreement, the Administrator shall earn paid vacation at the rate of three weeks per year (10 hours per month), credited monthly. The Administrator may utilize earned and accumulated vacation leave at any time following the effective date of this Agreement. In addition, in the event of the Administrator's resignation or termination for any reason, all earned and unused vacation leave, up to a maximum of 15 days (120 hours), shall be paid in a lump sum at the time of termination, and in addition to, and independent of, any applicable severance pay as described in Section 6 of this Agreement.
 - C. Personal Leave. The Administrator shall receive seven (7) days of paid personal leave annually which may be used in any combination or at any time. Award of subsequent years' personal leave shall coincide with the anniversary date of this Agreement. Personal leave days, if not used within twelve (12) months from the date of entitlement, must be used in the first three (3) months of the new anniversary year or will be lost.
 - D. Management Leave. It is understood by the parties that the Administrator is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) and that the

position may frequently require far in excess of a standard 40-hour work week to accomplish the duties of the position. It is similarly understood, however, that nothing in this Agreement shall be construed as to prevent the Administrator from compensating for periods of long hours, when City business permits, by taking occasional and reasonable management leave to rest, take care of personal business or further his professional development.

11. Other Benefits. The Administrator shall receive all other employee benefits regarding wages, hours and other terms and conditions of employment as other permanent management employees of the City. These shall include, but are not limited to, standard medical, dental, vision, accidental death & dismemberment or long-term disability insurance coverages, all customary paid holidays and participation, at the Administrator's own expense, in the City's deferred compensation programs or any other payroll savings program offered by the City.

12. Professional Development.

- A. City agrees to budget and pay for professional fees, dues and subscriptions on behalf of the Administrator which are reasonably necessary to the continuation and participation in organizations necessary and desirable for continued professional growth and advancement.
- B. City agrees to budget and pay for travel and subsistence expenses of the Administrator for official travel, meetings and occasions reasonably adequate to continue the professional development of the Administrator, and reasonably pursue other necessary official functions for the City.
- C. The City agrees to budget and pay travel and subsistence for travel to, and attendance at various conferences for the Administrator.

13. Vehicle Use/Expenses. The City agrees to reimburse the Administrator for all business-related travel expenses, using his personal vehicle, at the rate specified by state and federal guidelines.

14. Residency. The City Administrator will become a resident of the City of Stayton unless circumstances change that may require the Administrator to move. In that event the Administrator shall not live more than twenty miles (20) from the City of Stayton.

15. Performance Evaluation. A written performance evaluation shall be performed after the first six (6) months of employment, in addition an Annual review on or near the anniversary date of hire each year. The City Council shall conduct a written performance evaluation of the Administrator, based on performance standards established in advance by the City Council. The performance evaluation shall be reviewed with the Administrator in Executive Session, unless the Administrator invokes his statutory right to have the performance evaluation reviewed in open session.

16. Professional Liability. The City agrees to defend, hold harmless and indemnify, at its expense, the Administrator from all demands, claims, losses, damages, suits, actions, errors or other omissions, charges, expenses or attorney's fees in any proceeding brought against the

Administrator individually or in his official capacity as an agent or employee of the City, provided the incident arose while the Administrator was acting within the scope of his employment, excepting there from criminal acts or acts of gross negligence on the part of the Administrator.

17. Bonding. City shall bear the full cost of any fidelity or other bond required of the Administrator under any law or City Ordinance.

18. Interference. The Administrator, having been appointed by the Mayor with City Council confirmation, is employed by the collective Mayor and City Council of the City of Stayton. No Mayor or individual Councilor shall unduly interfere in the Administrator's ability to carry out his duties or attempt to influence the Administrator's actions in respect to hiring or firing of other City employees, purchasing, or administration of other City business in carrying out the direction of the City Council. The City Council shall afford the Administrator an open forum to review and discuss any alleged act or interference or undue attempt to influence the Administrator's actions or administrative decisions.

19. Other Terms and Conditions.

- A. Applicable Law. This Agreement is construed under the laws of the State of Oregon, the City of Stayton Charter and the Stayton Municipal Code.
- B. Attorney Fees. In the event of any action or proceeding herein, including mediation or arbitration, the prevailing party in such action or proceeding shall be entitled to reasonable attorney fees to be fixed by the presiding party, and if an appeal is taken from the decision, such further sums as may be fixed by the appellate court as reasonable attorney fees, together with prevailing party costs and disbursement incurred therein.
- C. Performance of Duties. Administrator shall perform his duties in accordance with all applicable laws, ordinances, rules and regulations applicable to his position.
- D. Entire Agreement. This Agreement, except as herein expressly provided to the contrary, constitutes the entire Agreement between the parties. The provisions of this Agreement are solely for the benefit of the parties and not for the benefit of any other person, persons or legal entities.
- E. Communications. All communications regarding this Agreement shall be sent to the City, unless the Administrator is notified to the contrary in writing. The Administrator shall advise the City, in writing, of his residence address for forwarding any communications regarding this Agreement. Any written notice hereunder shall become effective as of the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to any addresses stated in this Agreement or hereafter specified by notice in writing. In lieu of mailing, written notice shall become effective as of the date it is personally delivered to the addressee.
- F. Inducements and Representations. The Administrator acknowledges that he has not been induced to enter into this Agreement by any representations or statements, oral or written, not expressly contained herein or guarantees, expressed or implied, other

than the expressed representations, warranties and guarantees contained in this Agreement.

G. Assignment. This Agreement may not be assigned by either the City or the Administrator.

H. Dispute Resolution. In the event a dispute arises under the terms of this Agreement, it shall be resolved by mandatory mediation; if it is not settled thereby, the dispute shall be resolved by binding arbitration in accordance with the Uniform Trial Court Rules of Oregon, whereupon the prevailing party may be awarded reasonable attorney's fees.

I. Representation. The City has been represented by its City Attorney in the preparation of this Agreement. The Administrator has the right to independent counsel at his own expense regarding to the preparation of this Agreement.

20. **Severability.** It is understood and agreed by the parties that if any part, term, portion or provision of this Agreement is held by the courts to be illegal or in conflict with the laws of the State of Oregon, the validity of the remaining portion of this Agreement 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, portion or provision.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below:


“CITY”

“ADMINISTRATOR”

Signed: December _____ 2013

Signed: December 17 2013

A. Scott Vigil, Mayor



Keith Campbell

ATTEST: _____
Alissa Angelo, Deputy City Recorder

APPROVED AS TO FORM:

David A. Rhoten, City Attorney

Chapter VIII APPOINTIVE OFFICERS

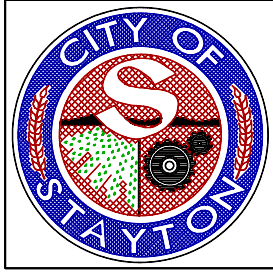
Section 34. Administrator.

- (a) The office of administrator is established as the administrative head of the city government. The administrator is responsible to the mayor and council for the proper administration of city business. The administrator will assist the mayor and council in the development of city policies, and carry out policies set by ordinances and resolutions.
- (b) The mayor must appoint and may remove the administrator with the consent of the council. The appointment must be made without regard to political considerations and solely on the basis of education and experience relating to local government management.
- (c) The duties of the administrator must be set by ordinance.
- (d) The mayor and councilors may not directly or indirectly attempt to coerce the administrator or a candidate for the office of administrator in the appointment or removal of any city employee, or in administrative decisions regarding city property or contracts. Violation of this prohibition is grounds for removal from office by a majority of the council after a public hearing. In council meetings, councilors may discuss or suggest anything with the administrator relating to city business.

Section 35. City Attorney. The office of city attorney is established as the chief legal officer of the city government. The mayor must appoint and may remove the city attorney with the consent of the council. The city attorney may designate other lawyers to serve as assistant city attorneys or special counsel.

Section 36. Municipal Court and Judge.

- (a) The mayor may appoint and remove a municipal judge with the consent of the council. A municipal judge will hold court in the city at such place as the council directs. The court will be known as the Municipal Court.
- (b) All proceedings of this court will conform to state laws governing justices of the peace and justice courts.
- (c) All areas within the city and areas outside the city as permitted by state law are within the territorial jurisdiction of the court.
- (d) The municipal court has jurisdiction over every offense created by city ordinance. The court may enforce forfeitures and other penalties created by ordinances. The court also has jurisdiction under state law unless limited by city ordinance.
- (e) The municipal judge may:
 - (1) Render judgments and impose sanctions on persons and property;
 - (2) Order the arrest of anyone accused of an offense against the city;
 - (3) Commit to jail or admit to bail anyone accused of a city offense;



CITY OF STAYTON
MEMORANDUM

TO: Mayor A. Scott Vigil and City Councilors
THRU: Interim City Administrator Christine Shaffer
FROM: David W. Kinney, Public Works Director
DATE: January 6, 2014
SUBJECT: Public Works Update – Informational Items

Here is a brief update on a few projects and issues the Public Works Department is currently working on:

1. Water Systems Projects

In May 2012, Keller Associates presented a report to the City Council on the status of the City's water distribution system. In the 2012 update, Peter Olsen, Keller Associates, identified several distribution system issues:

- Fire flow deficiencies
- Size, age, pipe type and condition of existing water lines
- Unaccounted for water loss

Keller's report recommended a list of system maintenance actions and improvements.

Table 1
Priority 1 - Maintenance Recommendations

	<i>Maintenance Activity</i>	<i>Where or What</i>	<i>Cost Estimate</i>	<i>Status or Schedule</i>
A	Leak Detection	West – every 5 years	\$ 10,000	Completed 2013
B	Leak Detection	East -- every 5 years	\$ 10,000	Will occur in 2014
C	Radio Read Water Meters	200 meters per year	\$ 33,000	300 in 2013 200 in 2014
D	Service Line Replacements	W. Washington	\$ 30,000	January 2014
E	Service Line Replacements	Northslope (Kent/Dawn)		Monthly program
F	Service Line Replacements	Westown Area		Monthly program
G	Valve Exercising	Annual		On-going - Annual

Table 2
Priority 1 - Water Main Improvements

	<i>Water Main Location</i>	<i>Size</i>	<i>Segment</i>	<i>Cost Estimate</i>	<i>Status</i>
A	W. Ida	12"	1st Ave to Evergreen	\$ 481,000 ¹	Not scheduled
B	E. Jefferson	8"	10 th to 15 th	\$ 125,000 ³	Completed 2012
C	Shaff Rd.	16"	1 st Ave to Fern	\$ 679,000 ¹	Not scheduled
D	Birch	8"	Locust to Washington	\$ 125,000 ²	Spring, 2014
E	Douglas	8"	Locust to Washington	\$ 110,000 ²	Fall, 2014
F	7 th Loop	8"	Robidoux to E. Santiam	\$ 42,000 ¹	Not scheduled

¹ 2012 -- Keller Associates 2012 cost estimate

² 2013 -- Public works staff cost estimate

³ Actual cost

- a. **Leak Detection:** The City is required by the Oregon Health Division to look for and eliminate unaccounted for water losses from the water system.

In early November 2013, American Leak Detection services, with assistance from PW utility worker Mark Flандe, inspected the west half of the water system (1st Avenue to Wilco Rd.). Approximately 27 leaks were found coming from water mains, service lines and fire hydrants. Most leaks were in the range of 1 gallon per minute (gpm) to 5 gpm. These are considered small leaks; no major leaks were found. Tom Etzel and his staff fixed 10 of the leaks and will schedule repairs on the remainder during the next few months. Overall, this report was good news.

- b. **W. Washington / Birch & Douglas Water Improvements:**

(1) **West Washington St. Water Service Line Replacement:** In mid-January, the water department crew, with assistance from Canyon Contracting, Inc, will replace 18 water services on W. Washington Street (1st Avenue to Evergreen St.). Old services are connected to a 4" water line on the south side of Washington Street. New service lines will be connected to an existing 12" water main on the north side of the street. When the project is completed, the 75-year old 4" water line will be abandoned.

(2) **Birch & Douglas Water Main Installation Project:** Birch Ave. and Douglas St. have old, undersized (1 1/2", 2" & 4") water mains. The fire flow analysis by Keller Associates shows that the Birch Avenue block behind the Stayton Plaza shopping center does not meet fireflow recommendations. City Engineer John Ashley, Mike Brash and Tom Etzel have been finalizing a design to install new 8" water mains on Birch Avenue & Douglas St. (Locust to Washington) and add new fire hydrants. The Birch Avenue will be advertised for bid at the end of January 2014 and be constructed in February-May 2014. Douglas St. is planned for FY 2014-2015.

b. **Infiltration Gallery Investigation:** The City is looking to find a secondary water source near the Water Treatment Plant. The secondary water source purpose is to provide water when the N. Santiam River turbidity levels are high due to major winter storms. GSI and Cascade Drilling LP will complete another set of test drillings in January or February 2014 (depending on water levels in the N. Santiam River) to see if the soil conditions are good for the development of an infiltration gallery as a secondary well source. Drilling crews will be working east of the water plant along the N. Santiam River.

- If the reports on soil conditions and water quantity are good, Keller Associates will make recommendations on how to proceed with development of an infiltration gallery that will collect water which can then be pumped into the system.
- If the reports are not promising Keller Associates and the public works staff will outline other options for consideration by the City.

2. **Sidewalk Maintenance Program (Phase 2 Area – 1st to 4th, Washington to Fern Ridge):**

Mike Brash and Michael Bradley completed an inventory of sidewalks in the Phase 2 areas. They found:

○ **City:**

- 8 ADA ramps (Safe Routes to School to Stayton Elementary School)
- 3 alley repairs
- Precision cutting on Gardner Avenue (Locust to Western)

○ **Property Owner: sidewalk & curb repairs**

- 19 precision concrete cutting
- 7 precision cutting plus remove & replace broken or lifted panels.
- 11 full panel removal & replacement
- 6 complaint driven & remaining downtown full panel removal & replacement

The City mailed notices to property owners who have sidewalks which need precision concrete cutting to remove trip hazards. Each owner was given a not-to-exceed cost estimate for the work based on a bid the City received from Safe Sidewalks, Inc. Most property owners have returned cards authorizing the City to do the work and bill them.

On November 27, 2013, the City received bids for the ADA ramp installation and full sidewalk panel removal and replacement work.

Table 3
Sidewalk Bids – ADA Ramps & Full Panel Removal & Replacement

	<i>Contractor</i>	<i>Bid Amount</i>
1	Concrete Works Inc.	\$ 30,469.50
2	North Santiam Paving	\$ 52,402.73
3	Bethel Excavating	\$ 70,305.63

The City mailed notices to the 11 property owners with full panel removal and replacement work including a not-to-exceed cost estimate based on the low bid. We expect responses back by January 8, 2014. Property owners can elect to have the City's contractor perform the work or hire their own contractor. Concrete Works, Inc. will install the ADA ramps and repair sidewalks this winter.

3. **Pioneer Park Final Design for Phase 1 Improvements:**

Landscape Architect Brian Bainnson and City Engineer John Ashley met with the Parks Board on December 3, 2013 to review revisions to the Pioneer Park Master Plan and the Phase 1 improvements. Mr. Bainnson is working on an updated design for the Phase 1 project. The Parks Board will hold public information meetings with neighbors to review and revise the plans over the next 2 months.

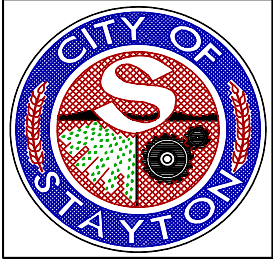
a. Grant Applications: The City needs to raise an additional \$60,000 +/- to complete the funding package for the Pioneer Park improvements. We will submit grant applications to the following foundations:

- | | | |
|---|--------------|----------------------|
| • NORPAC Foundation | Submitted | March/April decision |
| • Oregon Community Foundation: Park Fund | Due 2-01-14 | May, 2014 decision |
| • Oregon Community Foundation: Whipper Fund | Due 2-01-14 | May, 2014 decision |
| • Freres Foundation | January 2014 | Winter 2014 decision |
| • A. J. Frank Family Foundation | January 2014 | Spring 2014 decision |
| • Jeld-Wen Foundation | | |

4. **Storm Drainage Grant Applications:**

Dan Fleishman, Peter Olsen (Keller) and I have been looking for grants to help fund storm drainage improvements.

- a. Marion County Community Projects Grant: In early December, Dan Fleishman and Brent Stevenson, SWCD, submitted a grant application to Marion County to design the automation improvements. Design costs are \$50,000+. The Board of Commissioners will consider applications on December 30th and make final decisions before the end of January. \$50,000 is available and nine communities have requested funds.
- b. DEQ 319 Grant: We will submit a letter of interest to DEQ for a grant to support either preparation of a spill response plan or rehabilitation of the City's detention basins in Stayton Industrial Park.



City of Stayton
Finance Department
Public Works Department
Planning and Development Department
www.staytonoregon.gov

MEMORANDUM

TO: Mayor Scott Vigil and City Council Members
THRU: Christine Shaffer, Interim City Administrator
FROM: David Kinney, Public Works Director
DATE: January 6, 2014
SUBJECT: Storm Water Utility Fees – Adoption of Monthly Fee

ISSUE

The issue before the City Council is whether or not the City should hold a public hearing to consider the adoption of a storm drainage utility fee as part of the monthly utility bill and concurrently reduce the sanitary sewer monthly sewer rate.

ENCLOSURES:

1. Resolution 907 – Sanitary Sewer Rates
2. Resolution 908 – Storm Drainage Utility Fees

BACKGROUND

In December 2013, the Council approved Ordinance 964 to adopt Stayton Municipal Code Chapter 13.32 “Storm Drainage Utility”. SMC 13.32 creates a separate storm drainage fund and authorize establishment of a monthly storm drainage utility fee to pay for storm sewers and storm drainage maintenance and improvements.

The proposed storm drainage utility fee will take effect on April 1, 2014. It will generate the following amounts:

April to June, 2014	\$ 55,000
FY 2014-2015	\$ 230,000
FY 2015-2016	\$ 260,000

Proposed Fees:

Storm Drainage Utility Fee: A new fee of \$4.00 per month for a single family residence is proposed. The fee assumes an average single family home will have 2,500 square feet (sf) of impervious surface (roof, sidewalks, driveway, patios, etc.) which drains to the city’s storm drainage system, which includes streets, storm sewers, drainageways and waterways.

The following residential and non-residential use classifications will be established:

Class	Category	\$/Month
Residential		
1	Single family residential dwelling unit	4.00
2	Duplexes (per dwelling unit)	4.00
3	Mobile Home or Manufactured Home Park (per MH)	4.00
4	Multi-family residential (per dwelling unit)	2.40
Non Residential		
1	Category 1: up to 2,500 square feet (sf) impervious surface	4.00
2	Category 2: 2,501 to 5,000 sf impervious surface	6.00
3	Category 3: 5,001 to 10,000 sf impervious surface	12.00
4	Category 4: 10,001 to 15,000 sf impervious surface	20.00
5	Category 5: 15,001 to 20,000 sf impervious surface	28.00
6	Category 6: 20,000 to 30,000 sf impervious surface	40.00
7	Category 7: 30,000 to 40,000 sf impervious surface	56.00
8	Category 8: 40,000 or more sf imp surface (avg size = 175,000 sf)	72.00

The storm drainage utility fee for multi-family residential and non-residential properties is based on a proportional amount of impervious surface area found on the property. Dan Fleishman has analyzed each non-residential use in the city using aerial photography and calculated the amount of impervious surface for each non-residential utility customer.

Sewer Monthly Rate Reduction: The city has paid for storm drainage system maintenance (staff, materials and services and capital outlay) from the Sewer Fund. With the adoption of a new fee, the Sewer Fund will no longer pay for storm system operations and maintenance; therefore, the sewer fee should be reduced proportionately for the costs the city has incurred on an annual basis. Finance Director Christine Shaffer has calculated that the average single family residential customer has paid \$2.75 per month over the past few years to cover the costs of storm system maintenance.

Summary:

New SFR storm drainage fee	\$4.00 per month
<u>Reduction in Sewer fee</u>	<u>(2.75)</u>
Net monthly fee increase	\$1.25 per month in April 2014

PURPOSE OF THE STORM DRAINAGE UTILITY & FEE

The city currently pays for storm sewer operation and maintenance (O&M) out of the sewer fund. If the storm utility is adopted, this practice will end. All storm drainage O & M will be paid for out of the new Storm Drainage Fund.

The storm drainage fee will pay for the annual operating costs of the city's storm drainage system. Here is a very rough estimate of annual expenses:

Personnel (0.5 FTE)	\$ 37,500
Materials & Services	\$ 75,000
Capital Improvements	varies
Admin / Equipment / Vehicle Replacement	\$ 75,000
<u>Contingency / Reserves</u>	<u>\$ 35,000</u>
Annual Budget	\$ 250,000 to \$275,000

The creation of the storm drainage utility was recommended in the *Storm Drainage Master Plan* adopted by the City Council in 2010. As part of the recent lawsuit settlement with the Santiam Water Control District, the City has agreed to establish the storm drainage utility and dedicate revenues to on-going storm system maintenance and specific projects listed in the memorandum of understanding. Projects during the first two years include:

- Automation of headgates (Salem Ditch, Main Canal, Butler Lateral, Mixed Ditch)
- Update public works design standards – Chapter VI – storm drainage.
- Water quality monitoring
- Adaptive Management Group, a joint committee of SWCD & City to review, identify funding for and manage storm drainage improvement projects.
- Adopt a storm drainage SDC
- Develop a spill prevention and response plan

NEXT STEPS

- Review the DRAFT Storm Drainage Utility Fees and Revised Sewer Rates
- Hold a public hearing on February 3, 2014
- Discuss the DRAFT resolutions and make any changes
- Adopt Resolutions 907 and 908 prior to March 3, 2014 to give staff time to enter rate codes into the utility billing system.

OPTIONS

After the public hearing in the Council may:

- a. Direct staff to bring back a revised proposal for consideration.
- b. Modify the proposed resolutions and rate categories
- c. Adopt Resolutions 907 and 908

MOTIONS:

1. Direct staff to bring back a revised storm drainage utility fee proposal.

Move to direct staff to modify Resolutions 907 and 908 to address the following issues (identify the specific issues to be addressed).

2. Direct staff to modify the proposed storm drainage utility rate categories.

Move to direct staff to modify the rate categories in Resolution 908 as discussed by the council.

3. Approve Resolution 907 – Sewer Rates and Resolution 908 – storm drainage utility rates.

Move to approve Resolution 907 as presented (revised).

Move to approve Resolution 908 as presented (revised).

RESOLUTION NO. 907

A RESOLUTION APPROVING SANITARY SEWER USER CHARGES

WHEREAS, Ordinance No. 781 (SMC Title 13.24.1190) requires rates to be established for sanitary sewer service;

WHEREAS, the adopted Wastewater Facilities Master Plan, which identifies approximately \$23 million of improvements to the wastewater treatment facility and collection system between 2005 and 2020; and

WHEREAS, the City must adopt rate increases to guarantee the City has sufficient funds to pay for on-going operations and maintenance, capital improvements and debt service for the wastewater utility; and

WHEREAS, such rates are to be set in resolution form.

WHEREAS, in July 2010 the Stayton City Council approved Resolution No. 859 to adopt a phased increase in the monthly sanitary sewer user charges from July 2010 through July 2014 in order to support the fiscal needs of the City’s wastewater system in accordance with the Wastewater Facilities Master Plan; and

WHEREAS, in December 2013, the City Council adopted Ordinance 964 to establish a storm water utility and directed staff to prepare a rate resolution to implement a monthly storm drainage user charge; and

WHEREAS, the Stayton City Council agreed that at the time of the implementation of the storm drainage user charge, the City should concurrently reduce the sanitary sewer user charge by \$2.75 per month for a typical Class B residential customer because the costs for maintaining the storm drainage utility will no longer be paid for out of the Sewer Fund;

NOW THEREFORE, BE IT RESOLVED by the Stayton City Council hereby adopts sanitary sewer user rates as follows:

SECTION 1. SANITARY SEWER RATES (2013-2014)

Effective April 1, 2014 users of the wastewater system are classified based on estimated loadings to the sewer system and rates are hereby established for each classification:

Class	Loading	\$/Month
A	Up to 4,000 gal/month	\$39.62
B	Up to 6,000 gal/month	53.00
C	Up to 10,000 gal/month	98.97
D	Over 10,000 gal/month (cost per thousand)	9.90
E	Commercial Recreational Vehicle	39.62
	Waste Disposal per gallon	0.43

SECTION 2. SANITARY SEWER RATES (2014-2015)

Effective July 1, 2014 users of the wastewater system are classified based on estimated loadings to the sewer system and rates are hereby established for each classification:

Class	Loading	\$/Month
A	Up to 4,000 gal/month	\$42.60
B	Up to 6,000 gal/month	56.98
C	Up to 10,000 gal/month	106.40
D	Over 10,000 gal/month (cost per thousand)	10.64
E	Commercial Recreational Vehicle	42.60
	Waste Disposal per gallon	0.46

SECTION 3. WINTER CONSUMPTION AND ASSIGNMENT OF USER CLASSES

Water consumption for the months of October through March shall be used to classify users except that the following classes are hereby established:

Single Family Units and Manufactured Homes	Class B
Duplexes with Individual Water Meters, per unit	Class B
Apartments, per unit	Class B

New users to the system, other than houses and apartments, shall be billed based on actual water usage. Allowances for high summer water usage may be taken into account by the Finance Director for the City of Stayton. Accounts in which there is no correlation between water usage and sewerage discharge, as determined above, will be individually calculated by the Finance Director for the City of Stayton.

SECTION 4. REPEAL

Resolution No. 859 is hereby repealed effective April 1, 2014.

ADOPTED BY THE STAYTON CITY COUNCIL this ___ day of _____, 2014.

CITY OF STAYTON

Signed: _____, 2014

By: _____
A. SCOTT VIGIL, Mayor

Signed: _____, 2014

ATTEST: _____
CHRISTINE SHAFFER, City Administrator

APPROVED AS TO FORM:

David A. Rhoten, City Attorney

RESOLUTION NO. 908

**A RESOLUTION APPROVING A STORM DRAINAGE UTILITY FEE
AND SETTING RATES**

WHEREAS, Ordinance No. 964 (SMC Chapter 13.32) requires rates to be established to cover the costs of operating and maintaining the City of Stayton storm drainage utility; and;

WHEREAS, the adopted Storm Drainage Facilities Master Plan identifies recommended storm drainage facility improvements which are needed to serve the property with the Stayton urban growth boundary by the year 2030; and

WHEREAS, the estimated cost of the proposed storm drainage facility improvements is \$25.9 million; and

WHEREAS, the Storm Drainage Facilities Master Plan recommends the city enact a storm drainage utility fee, a storm drainage systems development charge and also seek outside grant funding to finance the recommended storm drainage facility improvements; and

WHEREAS, the City Council has concluded that the City needs to adopt a storm drainage utility fee to guarantee the City has sufficient funds to pay for on-going operations and maintenance, capital improvements and debt service for the storm drainage utility; and

WHEREAS, in December 2013, the City Council adopted Ordinance 964 to establish a storm water utility and directed staff to prepare a rate resolution to implement a monthly storm drainage utility fee; and

WHEREAS, such the storm drainage utility fee rates are to be adopted by resolution; and

WHEREAS, the Stayton City Council agreed that at the time of the implementation of the storm drainage utility fee, the City should phase in storm drainage utility fee rates over a three-year period in order to guarantee the City has sufficient revenue to cover anticipated expenditures for the storm drainage utility; and

WHEREAS, the drainage fee authorized by this SMC Chapter 13.32 is not subject to the property tax limitations of Section 11(b), Article XI, of the Oregon Constitution.

NOW THEREFORE, BE IT RESOLVED by the Stayton City Council hereby adopts monthly rates for the storm drainage utility fee as follows:

SECTION 1. STORM DRAINAGE UTILITY FEE (2014-2015)

Effective April 1, 2014 a storm drainage utility fee is imposed and levied upon the responsible party for all developed property within the City and will be collected with the monthly utility bills. The storm drainage utility fee shall be based on the direct and indirect use of or benefit derived from the use of city's public storm drainage utility generated by the developed property.

The monthly storm drainage utility fee is hereby established and imposed for the following residential and non-residential use classifications as follows:

Class	Category	\$/Month
Residential		
1	Single family residential dwelling unit	4.00
2	Duplexes (per dwelling unit)	4.00
3	Mobile Home or Manufactured Home Park (per MH)	4.00
4	Multi-family residential (per dwelling unit)	2.40
Non Residential		
1	Category 1: up to 2,500 square feet (sf) impervious surface	4.00
2	Category 2: 2,501 to 5,000 sf impervious surface	6.00
3	Category 3: 5,001 to 10,000 sf impervious surface	12.00
4	Category 4: 10,001 to 15,000 sf impervious surface	20.00
5	Category 5: 15,001 to 20,000 sf impervious surface	28.00
6	Category 6: 20,000 to 30,000 sf impervious surface	40.00
7	Category 7: 30,000 to 40,000 sf impervious surface	56.00
8	Category 8: 40,000 or more sf impervious surface	72.00

SECTION 2. STORM DRAINAGE USER FEES (2015-2016)

Effective April 1, 2015 the monthly storm drainage utility fee is hereby established and imposed for the following residential and non-residential use classifications as follows:

Class	Category	\$/Month
Residential		
1	Single family residential dwelling unit	4.50
2	Duplexes (per dwelling unit)	4.50
3	Mobile Home or Manufactured Home Park (per MH)	4.50
4	Multi-family residential (per dwelling unit)	2.70
Non Residential		
1	Category 1: up to 2,500 square feet (sf) impervious surface	4.50
2	Category 2: 2,501 to 5,000 sf impervious surface	6.75
3	Category 3: 5,001 to 10,000 sf impervious surface	13.50
4	Category 4: 10,001 to 15,000 sf impervious surface	22.50
5	Category 5: 15,001 to 20,000 sf impervious surface	31.50
6	Category 6: 20,000 to 30,000 sf impervious surface	45.00
7	Category 7: 30,000 to 40,000 sf impervious surface	63.00
8	Category 8: 40,000 or more sf impervious surface	81.00

SECTION 3. STORM DRAINAGE USER FEES (2016-2017)

Effective April 1, 2016 the monthly storm drainage utility fee is hereby established and imposed for the following residential and non-residential use classifications as follows:

Class	Category	\$/Month
Residential		
1	Single family residential dwelling unit	5.00
2	Duplexes (per dwelling unit)	5.00
3	Mobile Home or Manufactured Home Park (per MH)	5.00
4	Multi-family residential (per dwelling unit)	3.00
Non Residential		
1	Category 1: up to 2,500 square feet (sf) impervious surface	5.00
2	Category 2: 2,501 to 5,000 sf impervious surface	7.50
3	Category 3: 5,001 to 10,000 sf impervious surface	15.00
4	Category 4: 10,001 to 15,000 sf impervious surface	25.00
5	Category 5: 15,001 to 20,000 sf impervious surface	35.00
6	Category 6: 20,000 to 30,000 sf impervious surface	50.00
7	Category 7: 30,000 to 40,000 sf impervious surface	70.00
8	Category 8: 40,000 or more sf impervious surface	90.00

SECTION 4. STORM DRAINAGE USER FEES (2017-2018)

Effective April 1, 2017 the monthly storm drainage user fee is hereby established and imposed for the following residential and non-residential use classifications as follows:

Class	Category	\$/Month
Residential		
1	Single family residential dwelling unit	5.50
2	Duplexes (per dwelling unit)	5.50
3	Mobile Home or Manufactured Home Park (per MH)	5.50
4	Multi-family residential (per dwelling unit)	3.30
Non Residential		
1	Category 1: up to 2,500 square feet (sf) impervious surface	5.50
2	Category 2: 2,501 to 5,000 sf impervious surface	8.25
3	Category 3: 5,001 to 10,000 sf impervious surface	16.50
4	Category 4: 10,001 to 15,000 sf impervious surface	27.50
5	Category 5: 15,001 to 20,000 sf impervious surface	38.50
6	Category 6: 20,000 to 30,000 sf impervious surface	55.00
7	Category 7: 30,000 to 40,000 sf impervious surface	77.00
8	Category 8: 40,000 or more sf impervious surface	99.00

SECTION 5. ASSIGNMENT OF USER CLASSES

In accordance with SMC Chapter 13.32 each residential and non-residential developed property in the City shall be assigned to a category of use in proportion to the amount of impervious surface on the property. The Finance Director may review and modify the category of use assignment, either upon request of the customer or as warranted, as permitted in SMC Chapter 13.32.

SECTION 6. APPEALS

In accordance with SMC Chapter 13.32 any utility customer who disputes any interpretation given by the City as to the category of use assigned to such owner's property may request a review and appeal such interpretation. At the time of filing an appeal with the City, a responsible part shall pay the following fees:

- A. Review by the Finance Direction No filing fee
- B. Appeal to City Administrator \$ 20

ADOPTED BY THE STAYTON CITY COUNCIL this ___ day of _____, 2014.

CITY OF STAYTON

Signed: _____, 2014

By: _____
A. SCOTT VIGIL, Mayor

Signed: _____, 2014

ATTEST: _____
CHRISTINE SHAFFER, City Administrator

APPROVED AS TO FORM:

David A. Rhoten, City Attorney