

City of Mt. Angel
City Council Meeting Minutes

CITY COUNCIL

June 1, 2015

7:00 PM

The Mt. Angel City Council met in a regular session in the Community Meeting Room, 290 E. Charles Street, Mt. Angel, Oregon.

7:00 P.M. REGULAR MEETING

- 1. CALL TO ORDER:** The regular session of the City Council was called to order at 7:05 p.m. by Mayor Otte.
- 2. FLAG SALUTE:** Mayor Otte led the salute to the flag.
- 3. ROLL CALL:**

COUNCIL

Andrew Otte, Mayor
Kelly Grassman, Council President
Darren Beyer, Councilor
Don Fleck, Councilor
Ray Eder, Councilor
Pete Wall, Councilor
Karl Bischoff, Councilor

STAFF

Eileen Stein, City Manager
Justin Hogue, Assistant to the City Manager
Mike Healy, Police Chief
Dan Bernt, PW Superintendent
Carrie Alexandria Caster, Library Director
Chaunee Seifried, Finance Director
Steve Ward, City Engineer

4. PRESENTATIONS, GUESTS, AND ANNOUNCEMENTS:

City Manager Stein stated that the City received official recognition from the International City Manager's Association (ICMA) for the City of Mt. Angel being organized as a council-manager form of government.

5. APPEARANCE OF INTERESTED CITIZENS:

Mr. David James addressed the Council and asked why certain streets are unpaved in Mt. Angel and if this was a project that the City intended to take on. There was discussion on dust control. Mayor Otte spoke about efforts to address gravel streets in the City. He stated that a lack of funding is one of the primary reasons for the gravel streets not being paved. Councilor Fleck stated that as a councilor paving the streets was one of his priorities and that he would like to start a process for exploring a means to address the issue. There was discussion on the Small Cities Allotment Grant offered by the state. Manager Stein stated that Justin Hogue, Assistant to the City Manager and Daniel Shafer, Lead Utility Worker, are working on a Small City Allotment Grant request for 2015. There was discussion on street paving, past practices used for street improvements, and dust abatement. Mr. James asked the Council if there was a process for including John Street on a list for road improvement. There was discussion on street improvements being

a part of the Master Plan. Manager Stein stated that there is a chronic problem in Oregon in regards to street paving because there is not an adequate funding mechanism for street maintenance and that other than the highway gas tax Mt. Angel does not have another revenue source. Manager Stein spoke about different methodologies for improving city streets. Councilor Fleck spoke of creating a local improvement district. Mayor Otte spoke about teaming up with other mayors to lobby the Legislature for transportation dollars. The Council thanked Mr. James.

6. REVIEW CORRESPONDENCE: None

7. REVIEW WRITTEN STAFF REPORTS:

Councilor Eder asked Lead Utility Worker Shafer about the condition of the urinals at the public restroom in Berchtold Park. Councilor Beyer asked about 550 Railroad Ave and squatting issues. Chief Healy stated that it is unclear who the legal owner of the residence is. There was discussion on 550 Railroad Ave. Manager Stein spoke about an increase in the level of building activity.

8. REVIEW ACCOUNTS PAYABLE:

Councilor Fleck asked Lead Utility Worker Shafer about the back flow device that was purchased by Public Works. Lead Utility Worker Shafer stated that it is for irrigation on the north end of Ebner Park.

9. CONSENT AGENDA:

- a. Approve Regular Meeting Minutes for May 4, 2015.

Councilor Beyer moved to approve the Consent Agenda; Councilor Grassman seconded.

Beyer:	AYE	Otte:	AYE
Bischoff:	AYE	Grassman:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

10. UNFINISHED BUSINESS:

- a. System Development Charge Update
 - AN ORDINANCE AMENDING MT. ANGEL MUNICIPAL CODE CHAPTER 50, AUTHORIZING THE ESTABLISHMENT OF SYSTEM DEVELOPMENT CHARGES FOR THE CITY OF MT. ANGEL (Second Reading)
 - A RESOLUTION ESTABLISHING SYSTEM DEVELOPMENT CHARGE FEES FOR WATER, WASTEWATER, DRAINAGE, TRANSPORTATION AND PARK IMPROVEMENTS; ADOPTING UPDATED ASSOCIATED METHODOLOGIES AND CIPs; AND REPEALING RESOLUTION NOS. 778 AND 783

Manager Stein spoke about changes to the methodology including the addition of installment payments for SDCs at a rate of 10% over a period of 10-30 years. She corrected some of the language in ordinance. She also spoke about the revised SDC methodology, specifically in regards to depreciation and replacement value, and corrections to the resolution.

Mayor Otte asked about modifying language in the SDC ordinance concerning phasing in SDC fees. Manager Stein spoke about phasing in SDCs and it being a component of the resolution and not the ordinance. Manager Stein stated that the ordinance creates the overall authority for imposing SDCs and that the resolution adopts the methodology. Mayor Otte asked about the average rate of repayment. Steve Ward, Westech Engineering, the City's engineer of record, stated that it is rare that someone would finance SDCs for 10-30 years. He stated it is typically paid off after the home is purchased from the developer and the home is financed. Councilor Grassman asked if it is necessary to allow that long of a period for SDC repayment. Manager Stein read the language in the ordinance.

Councilor Fleck asked if fees can be used to widen streets. SDC consultant Curt McLeod stated that the reimbursement fee can be used to improve streets if there is a need to increase the capacity of the street. Councilor Fleck asked if what was proposed in the methodology was considered legal. Mr. McLeod spoke of depreciation, reimbursement, and replacement cost. He discussed the cost of replacing a facility and obtaining a rough estimate of what the value of the facility is. He stated he recommends using replacement value for the simplicity and equity that it provides and he mentioned several municipalities that utilized this approach. Mr. McLeod spoke of other communities that use the Engineering News Record (ENR) and make adjustments for inflationary increases. He explained that he researched with the City Engineer what the effective age of city facilities were and estimated a replacement value for each. He discussed the different SDC amounts using each methodology and stated using the depreciated value reduced the total SDCs by approximately \$1,100 and what amount would be reduced for each system. He noted the Transportation SDC was further reduced to take out street overlays on residential streets in response to the testimony last month. He stated he continues to recommend his original approach of using replacement value which he felt was a more equitable in the long run, but could adjust the methodology to whatever pleased the Council. He reviewed the two amounts in the staff report, the "Original" and "Revised" amounts.

Councilor Eder asked if Manager Stein had met with Alan Kraemer. Manager Stein stated she met with Mr. Kraemer that he has filed the appropriate applications for his project and because so, Mr. Kraemer would pay SDCs at the current rate. Councilor Bischoff asked if the City Attorney was satisfied in regards to the legality of the recommended methodology. Manager Stein stated that City Attorney Carrie Connelly asked her to reiterate that approving the original methodology recommended by Mr. McLeod is defensible. Councilor Bischoff asked if the main reason for the Marion County Home Builders' Association objection was that they are not familiar with the Mr. McLeod's recommended approach. Manager Stein replied it was. Councilor Wall stated there is no case law regarding the original methodology and commented on another community that utilizes the methodology as originally proposed and that he felt comfortable with it. Councilor Grassman agreed with Councilor Wall's remarks and commented on the difference in SDC fees between the two approaches.

Councilor Bischoff asked what is the feeling on phasing in SDCs. Councilor Grassman stated that phasing in SDCs is something that should be considered. Councilor Beyer stated that he is in favor of providing

time to pay SDCs, but does not support slowly phasing in SDCs. Councilor Wall stated that he does not necessarily disagree with Councilor Beyer, but if the City were to phase in SDCs perhaps that would serve as an incentive for those considering building in Mt. Angel. Mayor Otte stated that he spoke with someone who had expressed the comments made by Councilor Wall and that consideration for phasing in SDCs would assist this individual in making a decision on whether to build. He further added that developers will continue to build in town regardless of whether SDCs are phased in or not and that the equity in sharing improvement costs needs to be considered as well. There was discussion on how to phase in SDC fees in what timeframes and incentivizing the submission of building projects that people might be contemplating.

Manager Stein discussed the equity issues associated with phasing in the new SDCs. She stated that the longer it takes to build up funding for infrastructure that creates new capacity in the system, the larger the financial burden rests on existing rate payers rather than on new development. Councilor Grassman stated that the amount of time it has taken to increase SDCs is a major part of the problem and that the people who end up building in Mt. Angel will become rate payers that will pay into the system. Manager Stein spoke about SDC rates for other types of development besides new single family homes and that by phasing in SDCs, the City is missing out on revenue that will pay for infrastructure that will serve commercial and industrial development. Councilor Fleck spoke about the past experiences where the City did not spend SDC money on projects where it could have, such as Ebner Park.

Mr. McLeod clarified that the Transportation SDCs with the reduction of the residential street overlays and three streets already completed would actually reduce the \$1,600 in the original recommendation by about \$125, so if the Council adopts the original methodology, the Transportation SDC should be amended to be reduced by that amount.

Councilor Bischoff stated that he is favoring phasing in SDCs fees as the proposed rate is more than double the current rate. Mayor Otte stated that the Council needs decide on which methodology to approve, the originally proposed version or the revised version. Councilor Grassman stated that she supports the original methodology, but is on the fence in regards to phasing in SDCs. Councilor Beyer stated that Councilor Wall provided a valid point concerning the phasing in of SDCs as an incentive for those who are considering building in Mt. Angel and that the community needs to be informed of phasing in SDCs as Councilor Eder suggested. There was discussion on phasing in SDC fees. The Council discussed the attorney's letter submitted on behalf of the Marion County Home Builder's Association from the hearing in May and whether there would be legal challenge if the Council approved the replacement value approach.

Councilor Fleck moved to approve an ordinance amending Mt. Angel Municipal Code Chapter 50, authorizing the establishment of system development charges for the City of Mt. Angel; Councilor Bischoff seconded.

Beyer: AYE
Bischoff: AYE
Eder: AYE
Fleck: AYE

Grassman: AYE
Otte: AYE
Wall: AYE

The motion passed unanimously.

Mayor Otte stated that the originally methodology appeared to be the consensus of the Council during the conversation. Mayor Otte referred to his previous suggestion for phasing in SDCs, which consisted of phasing in 50% of the fee increase July 1, 2015 and the remaining 50% on July 1, 2016. There was discussion on the phasing in the SDC fees. Mayor Otte commented on speaking with builders regarding SDC increases. Councilor Grassman stated that most of the builders were understanding of the need for increasing SDC fees. There was discussion on formatting the SDC resolution. Councilor Grassman wanted to make sure that the community is informed of the SDC fee increase. Mayor Otte clarified the SDC fee amount that would take effect on July 1, 2015.

Councilor Wall moved to approve: a resolution as amended, with the revised Transportation SDC, establishing system development system development charge fees for water, wastewater, drainage, transportation, and park improvements; adopting updated associated methodologies and CIPs; and repealing Resolutions Nos. 778 and 783; Councilor Fleck seconded.

Beyer: AYE
Bischoff: AYE
Eder: AYE
Fleck: AYE

Grassman: AYE
Otte: AYE
Wall: AYE

The motion passed unanimously.

11. NEW BUSINESS:

a. FY 2014-15 Supplemental Budget Public Hearing

- A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FY 2014-15 AND APPROPRIATING FUNDS.

Mayor Otte opened the public hearing at 8:19 p.m. and closed the public hearing at 8:19 p.m. as no member of the public was present to provide comment.

Councilor Fleck asked about transfers within the supplemental budget. Manager Stein explained the process for supplemental budgets. Councilor Grassman asked about several line items in the supplemental budget. Councilor Bischoff asked about the unemployment fund. Manager Stein spoke about the State Unemployment Fund and how the decision was made to remain self-insured.

Councilor Beyer moved to approve a resolution adopting a supplemental budget for FY 2014-15 and appropriating funds; and a resolution transferring appropriations for the FY 2014-2015 budget; Councilor Eder seconded.

Beyer: AYE
Bischoff: AYE
Eder: AYE
Fleck: AYE

Grassman: AYE
Otte: AYE
Wall: AYE

The motion passed unanimously.

b. FY 2015-16 State Revenue Sharing Public Hearing

- A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE SHARING FOR FY 2015-16

- A RESOLUTION CERTIFYING THAT THE CITY OF MT. ANGEL MEETS ALL REQUIREMENTS TO RECEIVE STATE SHARED REVENUES FOR FY 2015-16

Mayor Otte opened the public hearing at 8:27 and closed the public hearing at 8:27 p.m. as no member of the public was present to provide public comment. There was discussion on how the City is qualified to receive state shared revenue.

Councilor Wall moved to approve a resolution certifying that the City meets all requirements to receive State Shared Revenue for FY 2015-16 and a resolution declaring the City's election to receive State Shared Revenue for FY 2015-16; Councilor Bischoff seconded.

Beyer: AYE
Bischoff: AYE
Eder: AYE
Fleck: AYE

Grassman: AYE
Otte: AYE
Wall: AYE

The motion passed unanimously.

c. FY 2015-16 Budget Public Hearing and Adoption

- A RESOLUTION ADOPTING THE BUDGET, MAKING APPROPRIATIONS AND CATEGORIZING AD VALORUM TAXES FOR THE CITY OF MT. ANGEL FOR THE 2015-16 FISCAL YEAR

Mayor Otte opened the public hearing at 8:29 p.m. and closed the public hearing at 8:29 p.m. as no member of the public was present to provide public comment. Councilor Grassman asked about dust control being in the budget and decision packages.

Councilor Beyer moved to approve a resolution adopting the budget, making appropriations and categorizing ad valorem taxes for the 2015-16 fiscal year in the City of Mt. Angel; Councilor Fleck seconded.

Beyer: AYE
Bischoff: AYE
Eder: AYE
Fleck: AYE

Grassman: AYE
Otte: AYE
Wall: AYE

The motion passed unanimously.

d. FY 2015-16 Wage Scale Adoption

- A RESOLUTION ADJUSTING THE WAGE SCALES OF EMPLOYEES OF THE CITY OF MT. ANGEL EFFECTIVE JULY 1, 2015

Councilor Grassman moved to approve a resolution adjusting the wage scales of employees of the City of Mt. Angel effective July 1, 2015; Councilor Wall seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

e. Resolution for Worker's Comp Coverage

- A RESOLUTION EXTENDING THE CITY OF MT. ANGEL'S WORKERS' COMPENSATION COVERAGE TO VOLUNTEERS OF THE CITY OF MT. ANGEL.

Councilor Fleck moved to approve the attached workers' compensation resolution extending coverage to the volunteers of the City of Mt Angel; Councilor Bischoff seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

f. Advisory Committee Appointments for 2015

- Budget Committee
- Library Board
- Planning Commission
- Infrastructure Task Force

Councilor Grassman moved to appoint Cindy Buchheit to the Budget Committee for a (3) year term ending on June 30, 2018; Councilor Beyer seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

There was discussion on making appointments to the Library Board. Mayor Otte stated that it was great that there was greater interest in serving on the Library Board than in previous years.

Councilor Eder moved to appoint Deanna Verboort to the Library Board for the remainder of a (4) year term ending on June 30, 2016; Councilor Wall seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

Councilor Bischoff moved to appoint Rebecca Thomas to the Library Board for a (4) year term ending on June 30, 2019; Councilor Eder seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

Councilor Beyer moved to appoint Greg Savage and Ryan Kleinschmit to the Planning Commission for a (2) year terms ending on June 30, 2017; Councilor Wall seconded.

Beyer:	AYE	Grassman:	AYE
Bischoff:	AYE	Otte:	AYE
Eder:	AYE	Wall:	AYE
Fleck:	AYE		

The motion passed unanimously.

There was discussion on the duration of advisory board terms. Councilor Fleck asked about how the City handles applicants that are not appointed and stated that there are other advisory board positions that need to be filled. Manager Stein commented that there is one remaining vacancy on the Budget Committee, three vacancies remaining on the Park/Tree Board, and three or four appointments that she would like the Council to consider for the Infrastructure Task Force. She stated that she envisions approximately 5 positions for the Infrastructure Task Force as well as a councilor to serve as a liaison. She spoke of prospective candidates for the Infrastructure Task Force.

There was discussion on the Park/Tree board. There was discussion on advisory boards for achieving designation as a tree city and the Christmas tree in the front of City Hall. Councilor Eder spoke about having the Park/Tree Board participate in an annual walkthrough of the City parks. There was discussion on Park/Tree Board meetings. There was discussion on the Infrastructure Task Force. Councilor Wall stated that he would like to see if someone who has construction background serve on the Infrastructure Task Force as they may have connections and an understanding of what it is involved in completing

infrastructure projects. Mayor Otte agreed with Councilor Wall's suggestion. The Council arrived at a consensus to defer the appointment of Infrastructure Task Force members.

12. CITY MANAGER'S REPORT:

Manager Stein stated that the League of Oregon Cities (LOC) annual conference is coming up and need to identify who will be attending. Councilor Eder asked what the councilors would take away from the conference. Manager Stein talked about benefits from attending. Councilor Fleck and Councilor Eder indicated that they may attend the conference.

Manager Stein informed the Council of the annexation application submitted to the City and explained the annexation process. Mayor Otte asked about annexing the properties to the east of the Wachter property. Manager Stein explained that the annexation applicants were willing to speak with the property owners to the east of their lot, but there unfortunately those property owners had already missed the deadline for submitting an annexation application for the November election. Mayor Otte spoke of creating an island inside of the City as the properties to the east of the Wachter lot are located in the County.

Manager Stein stated that she is waiting for Oktoberfest in regards to the agreement, but anticipates that the agreement will be ready for approval during the July Council meeting. She spoke about setting up a meeting for urban renewal and follow-up regarding the letters submitted to the City by the Sharrars and the Spikes in regards to the development review process. She stated that she met with the Mid-Willamette Valley Council of Governments (MWCOG) and Westech Engineering regarding planning processes and issues that were encountered during both situations and that she is working on a report that will provide information derived from those meetings. She reviewed items to be included on the July agenda.

13. COUNCILOR/COMMITTEE REPORTS:

Councilor Fleck stated that he has been working with Oktoberfest in regards to planning charges for Phase I of the Festhalle. He stated that after reviewing all of the charges and talking to various parties, he was recommending reducing the planning and engineering fees owed to the City to \$14,500. Councilor Bischoff asked about the amount owed on the original bill. Councilor Fleck stated that his goal was to reimburse the City for actual costs paid by taxpayers. Councilor Eder asked about the remaining \$13,000. Councilor Fleck stated some of billings were a result of mistakes made and time spent on the project by City staff and that he will attempt to provide the councilors with as much detailed information as possible. Councilor Fleck stated that additional expenses would be incurred to gather more detailed information from the City's previous engineers. Councilor Grassman asked if the City was at fault. Councilor Fleck spoke stated that there were errors made on both sides and further discussed his negotiations with Oktoberfest. Councilor Eder stated that he was pleased with Pepsi's willingness to help restore the public restrooms at Berchtold Park.

14. MAYOR'S REPORT:

There was discussion on the painted steps in front of City Hall. There was discussion on netting and netting support poles for the softball field at Ebner Park. Councilor Fleck stated that he would contact

PGE to see if they would donate poles. There was discussion on PGE donating and installing the support poles for the netting.

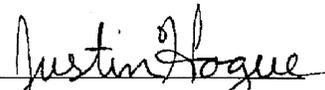
Manager Stein stated that the Council needs to consent to the appointment of John Teague, Keiser Chief of Police, to the Marion County Public Safety Coordinating Council. The Council provided consent for the appointment.

There was discussion on reviewing financial/goal setting beyond the fiscal year 15-16 budget. Manager Stein spoke of explaining how the financial projections were arrived at. Manager Stein reviewed items for the July Council meeting agenda including the public hearing for the annexation, Infrastructure Task Force appointments, a report on the development review process, a resolution for develop fees and charges, the Oktoberfest agreement for the year 2015, the City Manager's evaluation, and a presentation on urban renewal. There was discussion on the urban renewal presentation and on deferring it until a later date. Councilor Beyer asked if it would be beneficial to have the Budget Committee present for the City Manager's presentation on the budget projections. Manager Stein discussed the objective of the financial/goal setting beyond the fiscal year 15-16 and stated that it would make sense to have the Budget Committee present. She stated that the City is 2-3 years away from having any fund balance in the general fund if projections hold. Councilor Eder stated that he needs to be sold on enhancement package items. Manager Stein spoke on the ability to afford different levels of service. Councilor Eder stated that only a couple of the items are one-time costs. Manager Stein spoke of the goal setting session and the request for those items. Councilor Bischoff spoke about the City's inability to fund those items in the immediate future. Manager Stein stated that revenue needs to be addressed. Mayor Otte spoke of possible outcomes from the financial/goal setting discussion, holding that discussion during the July Council meeting, and deferring urban renewal until the November Council meeting. There was discussion on the Manager Stein confirmed with the Council if they would like to view the projections during the next City Council meeting. There was discussion on financial/goal setting beyond the fiscal year 15-16 budget and Manager Stein's evaluation. Councilor Fleck spoke of the need for better communication between Council and with the City Manager.

15. ADJOURNMENT:

Mayor Otte adjourned the meeting at 10:04 p.m.

Respectfully submitted by:


Justin Hogue, Assistant to the City Manager

Attested by:


Andrew Otte, Mayor