



SCIO CITY COUNCIL MEETING MINUTES
MONDAY, June 11, 2018

COUNCIL PRESENT: Councilors, Tom Gray, Karen Eckhart, Joey Ferguson, Debbie Nuber, and Mayor Chadd Weaver.

STAFF PRESENT: City Manager Ginger Allen, Administrative Assistant Cathy Martin, City Attorney Tre' Kennedy.

CALL TO ORDER: Mayor Chadd Weaver called the Regular Session of the Scio City Council to order at 6:00 P.M. in the main meeting room of the Scio City Hall, followed with the flag salute.

ROLL CALL: Roll call was taken with Councilor Borchard Absent.

APPROVAL OF CONSENT AGENDA:

- May 14, 2018 Council Minutes
- May 2018 – Statement of Revenues and Expenditures for – General, Road, Water & Sewer Funds
- Payment Journal – May 2018

Councilor Ferguson moved, Councilor Nuber seconded, to approve the Consent Agenda as presented. Motion passed 4/0

CORRESPONDENCE:

- Councilor Richard Nelson – Resignation Letter
- Linn County Lamb & Wool Fair Sponsor and Volunteer Appreciation Dinner

PRESENTATIONS:

1. Linn County Sheriff's Report – Sgt. Greg Klein introduced Michael Mattingly, Linn County's newly hired Community Service Officer to the council. Mr. Mattingly stated that he will be doing National Night Out, Neighborhood Watch, and asked the city to let him know if there were any neighborhood events that we would like the Sheriff's Office to participate in. Sgt. Klein stated that he too will be working with Mr. Mattingly. Klein then discussed the May report. Klein reported that the sheriff's office spent about 50 hours in the city during the Scio Lamb & Wool Fair. In addition there were 48 incidents investigated, 1 traffic site, 4 warnings, and 12 ½ hours dedicated to traffic enforcement.

REGULAR SESSION:

- 1) **Small City Allotment Agreement – Presented by: Ginger Allen, City Manager** – Ms. Allen stated that the city has received the paperwork to accept

the Small City Allotment. After the Department of Transportation gets the Intergovernmental Agreement, and signs the documents, then we will have 2 years to complete the project. Eckhart asked if there will be any sidewalks required with this project. It was stated that if there are sidewalks required, the state will let the city know. Allen stated that the city will receive ½ of the money up front and the balance upon satisfactory completion of the project.

Councilor Ferguson moved, Councilor Gray seconded the motion to approve the Small City Allotment Agreement. The motion passed 4/0

2) Water Rate Study – Presented by: Dave Kinney, Planning Consultant – Mr. Kinney stated that he prepared a Water Rate Study for the council consideration. In completing this task, he looked at the city’s costs in providing water services to the citizens of Scio. Revenues and expenses over the past 4- 5 years were analyzed and a 10 year projection of revenues and expenses was completed.

Mr. Kinney stated that in completing this study, he drew several conclusions. 1) Personnel costs will continue to increase over time; 2) the city has not spent \$\$ on Capital Improvements; 3) Thomas Creek Estates Subdivision is nearing “build out” thus revenue growth from new users will be slower in future; and 4) Debt Service on the Water Loan will be paid off by year 2023.

Mr. Kinney then reviewed the best practices (what a city should be doing) with the council. These best practices include: 1) Operating revenue should cover personnel, annual maintenance, debt service, and routine capital outlay items. 2) set aside money into Reserve Funds; 3) Maintain a Reserve which is available to pay for unanticipated expenses, and emergencies; 4) Plan for Large Capital Improvements; 5) Annual System maintenances activities; 6) Implement Operating & Municipal projects; and 7)

Kinney then reviewed the O&M Projects listed in the Water Master Plan. Most of the Phase 1 projects have been completed. Phase 2 includes more projects, with some Capital Improvements that will require that \$ be set aside for large expenses, Equipment Reserve, and in Phase 3 there are some Planned Capital projects which are big projects. – Looking at the Phases there are over \$2.3M in projects over the 20 year period in the Master Plan.

This Water Rate Study is a 10 Year Forecast based on Kinney’s’ water rate analysis. Based on this forecast, a 7% increase will be needed for the next three years to financially prepare for the projects identified in the Water Master Plan.

Gray asked how long the current reservoir will last. Kinney stated that it should last for 50 years. Kinney stated that the city is supposed to have 3 day storage, plus plan for sufficient fire flows.

Nuber –

Weaver asked what happens if the city doesn’t increase water rates. Kinney responded that if there is an emergency and the city does not have funds to

cover it, the city would need to borrow funds and the state will mandate rates. Rate increases at this time, can help stabilize rates in the future.

Gray – stretch it out

Kinney stated that if the city does the projects that are recommended, the rate increase is necessary. If the city doesn't raise rates to be able to set aside funding, then the city will need to borrow funds.

Allen advised that if the city does not have the ability to show that it is setting money aside for these improvements, the city's credit rating can go down. Nuber stated that she would rather deal with it now than have it balloon later.

Eckhart asked about the length of the 7% increase on page 3 of the resolution, as it did not contain an end date.

Allen recommended change to line A (10) Water Service Fees on page 3 to read: An annual 7% increase in the base and overages will be calculated prior to and effective with the July 1, 2018 billing for three consecutive years (July 1, 2018-July 1, 2020). The annual increase will then decrease from 7% to 6% for the next two fiscal years beginning July 1, 2021 and July 1, 2022.

Councilor Nuber moved, Councilor Ferguson seconded the motion to approve the amendment to page 2, Resolution No. 18-08 A Resolution Establishing Municipal Fees, Water and Sewer System Rates, Fees, Charges and Other Expenses Under the Jurisdiction of the City of Scio, as recommended by Allen. The motion passed 4/0

Councilor Nuber moved, Councilor Ferguson seconded the motion to approve Resolution No. 18-08, a Resolution Establishing Municipal Fees, Water and Sewer System Rates, Fees, Charges and Other Expense Under the Jurisdiction of the City of Scio, as amended. The motion passed 4/0

3) Resolution No. 18-03, Resolution to Dissolve the LGIP Fund 20 – Presented by: Ginger Allen, Scio Budget Officer – Ms. Allen stated that the Auditor informed staff that this Fund was created in error, as funds from the Local Government Investment Pool appear throughout each of the working funds (General, Roads, Water and Sewer) and should not be in a “stand alone” fund.

Councilor Eckhart moved, Councilor Ferguson seconded the motion to approve Resolution No. 18-03, A Resolution Declaring the Closure of City of Scio's Local Government Investment Pool Fund 20. The motion passed 4/0

4) Resolution No. 18-04 – Resolution to Transfer Appropriations in Water/Sewer Funds – Presented by Ginger Allen, Scio Budget Officer – Ms. Allen stated that this resolution is due to the fact that the city budgeted 2 public works position(s) at 80% each and the two positions ended up being full-time as

of October 18, 2017 due to a PW Employee resigning. Thus, both PW positions became full-time employees for training purposes.

Councilor Eckhart moved, Councilor Gray seconded the motion to approve the Resolution No. 18-04, A Resolution of the City Council of the City of Scio for the Purpose of Transferring Appropriations within a Fund. The motion passed 4/0

Public Hearing: Weaver opened the public hearing at 6:54 pm for the 2018-2019 Scio City Budget. Kennedy stated that this was the time set aside to “allow and hear any person” to comment on the 2018-2019 Scio City Budget, as approved by the Scio Budget Committee, on Monday, May 21, 2018. There was no public testimony and the hearing was closed at 6:55 pm.

- 5) 2018-2019 Budget Resolutions – Presented by Ginger Allen, Scio Budget Officer**
- a. Resolution No. 18-05 – Resolution to Adopt 2018-2019 Municipal Services**
 - b. Resolution No. 18-06 – Resolution to Adopt the 2018-2019 City of Scio Budget**
 - c. Resolution No. 18-07 – Resolution Declaring Election to Receive State Revenues**

Allen stated that resolutions 18-05 through 7 are required for adoption of the budget process. The first of the resolutions, No. 18-05 is to certify the municipal services provided by the City of Scio.

Councilor Ferguson moved, Councilor Nuber seconded the motion to approve Resolution No. 18-05, Fiscal Year 2018-19 Municipal Services as presented. The motion passed 4/0

Allen stated that Resolution 18-06 has three parts, all three parts resolves the adoptions of the budget.

Councilor Eckhart moved, Councilor Ferguson seconded the motion to approve Resolution No. 18-06, Resolution Adopting the Budget, Resolution Making Appropriations, Resolution Imposing and Categorizing Taxes-Combined, and Categorizing the Tax, as presented. The motion passed 4/0

Allen stated that Resolution 18-07 indicates that the city elects to receive state revenues.

Councilor Ferguson moved, Councilor Eckhart seconded the motion to approve Resolution No. 18-07, A Resolution Declaring the City’s Election to Receive State Revenues, as presented. The motion passed 4/0

CITY MANAGER REPORT: Presented by Ginger Allen – Allen stated that the city is close to the launching of the new city website. The City will also be setting up an automatic payment system with PayGov.us. In order to host electronic payments the city will also be purchasing additional cyber insurance in the amount of \$1200 annually.

Allen thanked everyone who worked on the budget. Elections coming up, three positions will be up for elections, and she anticipates opening the elections in July.

Ferguson asked about Mr. Nelson’s vacant position. Allen stated that the charter states that the city council appoints a candidate to fulfill the remaining portion of Councilor Nelson’s term. Allen will place a notice on the city website, Democrat Herald and the Scio Source website.

CITY ATTORNEY REPORT: Presented by Tre’Kennedy – Kennedy handed out a sample draft ordinance. Update on vacation of properties – have ironed out details with the county. Once that gets finalized with the county, will move forward with final details

Business from the Council:

Eckhart – None

Gray – None

Ferguson – None

Nuber – None

Weaver – None

Public Comment(s)

- Ms. May Garland stated that SCIO will be sponsoring National Night Out and will bring information to the council at the July meeting. Ms. Garland asked how long the remaining term of Mr. Nelson’s council position was. Allen stated that the position runs through December of 2020.
- Nadji Vogel
38932 NW 2nd Avenue
Scio, Oregon

Ms. Vogel asked to talk to the council regarding the property she owns that is occupied by her business 5th Avenue Healing Arts (SW 5th Avenue and Highway 226). Ms. Vogel stated that she had tenant last year who was interested in property. When they went over improvements required for change of business, the opportunity went out the window because of requirements. She stated that the city’s Planning Consultant Dave Kinney had advised them that they could apply for a variance. Ms. Allen addressed the council. Ms. Allen stated that Ms.

Vogel had spoken with her earlier in the day and after their conversation, Allen reviewed the file. Allen stated that she found that no formal application was submitted to the City of Scio, and the Planning commission could not make a ruling on the improvement requirements until an application is filed and a hearing held. Allen stated that there were a number of things that are required. No one else has come in with an application. Allen stated that she is happy to provide copies of all correspondence. Files do not show that Kinney has stepped outside of the code. Planning Commission cannot have discussions about a plan without an application. Council has to look at ordinances. If things need to be changed, then must go through the process. Allen again stated that without a development application it becomes difficult to discuss the details surrounding a potential development.

Vogel stated that something needs to be done or business won't come in with all of the requirements to change infrastructure.

Nuber asked if the Vet's office had to make changes when that changed owners. Martin replied that it already was a vet's office, so change of use did not apply.

Kennedy stated that there is a cost to update and bring in a business.

Allen asked the council what they wanted her to do.

Kennedy spoke regarding pre-application meetings. – Developers need to have a fair understanding of the process going into the application process. There is nothing that the council should do at this point. If something specific is brought forward to be addressed, then an applicant needs to go through staff and then through the planning commission before coming to the council.

There was no further business and the meeting was adjourned at 7:27 p.m.

The next regular meeting was scheduled for July 9, 2018 at 6:00 p.m.

Cathy Martin, Clerk
Scio City Council