



City of Scio
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SCIO CITY COUNCIL ELECTRONIC MEETING MINUTES
MONDAY June 8, 2020

COUNCIL PRESENT: Mayor Chadd Weaver, Councilors Karen Eckhart, Joey Ferguson, Tom Gray, Tom Meyer, and Debbie Nuber, were all present via video.

STAFF PRESENT: City Manager Ginger Allen and Administrative Assistant Cathy Martin were present via video.

AUDIENCE MEMBERS: Sgt. Greg Klein, Linn County Sheriff's Office, present via phone. Katrina Clouse, business owner, present via video.

CALL TO ORDER: Mayor Weaver called the Regular Session of the Scio City Council to order at 6:17 P.M., followed by the flag salute.

ROLL CALL: Mayor Weaver asked Cathy Martin to take roll: Roll call was taken with all members present with one council seat vacant.

APPROVAL OF CONSENT AGENDA: Mayor Weaver asked for comments.

Councilor Nuber moved, Councilor Ferguson seconded, to approve the Consent Agenda as presented. A vote roll call vote was taken. Motion passed 5/0

CORRESPONDENCE:

- Allen reviewed a letter sent to Scio citizen Carolyn Nunn concerning the raising and lowering of the Veteran Memorial Flags. Allen then gave a brief description as to how the city receives flag notifications (via email) and how they do not always receive notifications in a timely manner prior to a week-end. The flag notifications are not an issue during the work week, but become issues on week-ends when staff members are not at work. Allen stated that in her letter she is asking Nunn for the names of any people who may be interested in volunteering to assist with the flags on week-ends and holidays. Council agreed that having a volunteer may indeed resolve the issue, should someone be willing to step up and qualify as a city volunteer. Councilor Ferguson asked if the email notifications could be directed to a volunteer and Allen said yes, once a volunteer was on board the flag notifications would be sent to them, as well as, staff. Councilor Eckhart asked if Allen would be expected to be checking emails throughout the week-end. Allen stated that she does receive her city emails while at home, but is not always in a position to check them depending upon her week-end activity. Ferguson requested that Allen discuss how the city plans for holidays that require the flag be changed such as Memorial Day? Allen went off the protocol for flags on Memorial Day, stating that when possible city staff will place the flag at half-staff and leave it that way through the holiday. It is difficult on week-ends because if we have it at half-staff for the week-end we usually end up violating the time span order for the half-staff. It's a damned if you do,

damned if you don't situation when there is no staff working on the week-ends, stated Allen. Mayor Weaver stated that this particular issue has been discussed for years now and that the city is doing the best they can given the current staffing situation. Yes, Mayor Weaver said, we can always work to make things better, but it is something that we will always have to deal with. Councilor Ferguson stated that a volunteer could help things out a lot, but not having the flags set out street side seemed to perturb the people more than the main flag issue. Councilor Nuber agreed. A discussion also ensued about the street flags and who sets those flags out. Allen stated that she was told by former Scio Fire Chief, Doug Branch , that the Scio Volunteer Association has taken care of the placement of street flags. It was agreed that Allen would have a discussion with Scio Fire Chief Levi Echardt.

- Allen went over the Library Curbside Service Flyer with council. Councilor Ferguson asked about any adjustments to the Summer Reading Program? Allen stated that all but one of the presenters cancelled due to Covid-19 and one is providing a virtual program in July. Allen also discussed the Grab and Go Program summer program.

PRESENTATIONS:

- **Linn County Sheriff's Report – Presented by Sgt. Greg Klein, Linn County Sheriff** – Sgt. Greg Klein reviewed the monthly report for May 2020 (see attached). Klein told council that there were two citations issued, four warnings and no arrests made in May. Calls were up from April (20) to 35 complaints for a total of 76.5 hours in May. It's apparent that people are beginning to reengage in activities since Phase II. Sgt. Klein asked Allen if she had received the recent information about license renewals and Allen stated, "yes, and added that she feels it's due to the fact that DMV has reduced their hours drastically and closed many of their offices." Sgt. Klein stated to the council that DMV is very backed up and that they can still stop a vehicle for probable cause, and if they find that the driver's license is expired or vehicle tags expired they will not site them due to the closures of the DMV and the inability to renew licenses at this time. DMV is giving a grace period through January 2021. Linn County has seen public events cancelled throughout the county with the exception of Harrisburg Fireworks on the 4th of July. State Fair has also been cancelled. Linn Co. Sheriff's office continues using Personal Protective Equipment PPE and there was a small, peaceful demonstration last week, in Albany that lasted about 3 hours with no property destroyed. Sgt. Klein left the meeting after his presentation.

REGULAR SESSION:

1. **City Hall and PW Shop Update – Presented by: Ginger Allen, City Manager** Allen gave a project update relating to the PW Shop and New City Hall projects. Allen reiterated that monthly updates would be forthcoming when appropriate. Mayor Weaver asked, what is the status of the projects today? Allen informed council that the city is expecting to hear back from Varitone and Dyer Partnership

next week as to the cost of project management, and the design phases. Final cost numbers should be presented sometime in June.

2. **City Council Appointment - Presented by: Ginger Allen, City Manager –**
Allen reviewed the one and only application for the vacant seat, submitted by John Whalen. Allen briefly discussed her cover memo stating that the conditions of the appointment were recapped in the memo and it was now time for the city council to discuss the application and ask Mr. Whalen any questions they might have regarding his desire to service on council. City Attorney recapped that the city council needed to follow the city charter, to fill out the remaining portion of the vacated term.

Councilor Ferguson moved to accept John Whalen's application as presented, seconded, by Councilor Nuber. A hand vote was taken and the motion passed with a vote of 5/0.

3. **Sewer Rate Study – Presented by Dave Kinney**

Kinney presented information regarding city sewer projects recommended by Dyer Partnership when they completed the Wastewater Facilities Plan and also to take a look at the existing sewer rates and the financial condition of the Sewer Fund.

Kinney stated that he would be covering the following: Annual revenues and expenses, current operating and maintenance costs and projected costs of future capital improvement projects and how these all related to the city's sewer rates.

Kinney continued going through a brief description of each slide, providing statistical information to council reflected on the various graph slides. The graph slides showed various years of operating costs verses revenues demonstrating financial shortfalls necessary for the health of the city's sewer system.

Kinney discussed the majority of the slides with no interruptions for questions or comments. Then he announced his conclusions, drawn from the Wastewater Facilities Plan Projects and the cities financial reports for the past five years:

1. Even though the city has done some slight rate adjustments, revenues remain flat.
2. Thomas Creek Estates will soon be completely developed and new revenues from the sub-division will be non-existent.
3. Personnel costs have gone up 17% since 2016-2017, which on an annual basis is not bad, but one can expect these costs to continue to increase as health insurance and retirement costs continue to rise. Plus, you have two full FTE in the Public Works Department that must remain certified with ongoing educational costs.

4. Materials and Services – repairs and maintenance issues are beginning to pop-up. The bad news is there is no extra cash to take care of significant project repairs.

Some good news, the required masterplan completed by Dyer Partnership and approved by DEQ. Kinney then spoke about the improvement needs identified by the facilities masterplan: Improvements to the Lagoon System, a new Public Works Shop and significant repairs to the collection system.

Currently there is 88K dollars set aside in a Sewer Reserve Fund for emergency purposes. That 88K would not be enough to handle any of the major improvements projects identified in the Facilities Plan, but could be enough to provide matching dollars for a grant/loan.

Kinney recommends the following: Adopt a sewer rate increase to stabilize the sewer fund. But doing the rate increase the city would position itself to qualify for a loan to take on the larger sewer projects.

Kinney reminded council of the Dyer Partnership recommendations and projects that would need attention in the near future: Smoke testing, TV inspections of sewer lines and problem areas, manhole inspection and repair, pump station repairs, and additional basis lagoon system repairs/upgrades. Kinney discussed the importance of maintaining a basis level of maintenance to the system to stabilize the deterioration of the system to the extent possible.

Dyer also recommended in their report that the city do some significant projects: Upgrade the collection system which would consist of either “relining the sewer pipes” or worst case scenario digging up pipes and replacing them with new pipe. In addition, there needs to be significant upgrades to the Beech Street Lift Station and a new Public Works Shop Facility. Dyer projects that the total costs of these significant projects would be around 4.6 million dollars, this was in 2018 -19.

In order for the city to prepare for these significant projects rates need to be increased over the next two years, hoping that nothing breaks down between now and the two years of rates increases and acknowledging that the costs of the projects by the year 2022-23 will reach 5.3 million due to inflation, increased material costs and competitive bid pricing.

Kinney shared with the council how a city would finance such large projects. There are various types of financial packages available to cities for infrastructure improvement projects: (1) Federal Government – Farmers Home Administration, (2) USDA Rural Development Loan Program (3) State of Oregon DEQ Loan Program (4) Business Oregon Special Public Works Fund, lastly (5) A General Obligation Bond, placing a bond before the voters. Kinney believes that the DEQ Loan Program would be best suited for Scio’s purposes. If the city moves quickly, which means establishing rate increases to stabilize the sewer fund and secure financing over the next two years, the city can still take advantage of the historical low interest rates and begin taking care of the infrastructure needs at

the least cost to the local taxpayers. If the city chooses to hold off on these increases and on establishing financing there is a good chance interest rates will climb and have a significant cost impact on the city debt and cost to the average taxpayer within the Scio city limits.

To begin the process of securing the funds needed to seek funding for the sewer projects Kinney recommended the following rate increases:

1. Beginning July 1, 2020, a base rate increase of 15 %
2. Beginning July 1, 2021, an addition rate increase of 12%
3. Have staff set up a One Stop Meeting with State of Oregon to discuss finance options.

By considering my recommendations it is my belief that the city will be setting itself in position to begin some major infrastructure improvements within 2-3 years. Kinney thanks the council for listening and asked for questions.

Q. Ferguson – Why is the sewer revenue fluctuating so much?

A. Kinney – revenue can fluctuate bases upon time of arrival, when people pay their bills or when they fail to pay, in addition, there has been a small 3% increase annual to the rates bases on a rolling rate increase that went into effect several years ago. This year it is down a little bit due to the relief given to small businesses due to COVID-19 and also because some users have not yet paid their bills due to the pandemic. Allen pointed out that over the past four years the city collected connections fees as Thomas Creek built out and now that the subdivision is almost complete the connection fees have dropped significantly.

Q. Whalen – If the duplexes are built will it be \$2500.00 per building or \$2500.00 per living area?

A. Kinney - \$2500.00 per living area, so times two per building or a total of 8 connections = \$20,000.00

Q. Ferguson – Can the power point presentation be sent out to everyone?

A. Martin – yes, I will get that sent out to everyone tomorrow.

Mayor Weaver asked if there were any other questions or comments, hearing none Weaver moved onto the City Managers Report. Allen then asked Mayor Weaver for direction from the City Council as to what they wanted to do with the rate increase recommendation, before moving onto the City Manager's Report.

A council discussion ensured about the difficulty of conveying the message to the citizens of Scio and that they did not see any options given the financial condition of the sewer funds. Councilor Ferguson requested that the Sewer Rate discussion be given to the budget committee on June 10, 2020 and have citizen involvement, keeping citizens in the loop. Ferguson asked if we did rate increases and get the fund health do we have to keep increasing the rate? Eckart also asked about how much longer the city needed to pay on the water loan? Allen stated that once the rate increase take place and the city begins

seeing financial stability the council could revisit and adjust rates. Allen also stated that the Water Loan should be paid off within 4.5 years. Allen provided information on the sewer rate history of the City. Mayor Weaver said that as the leaders of this city we must do the responsible thing here and get our sewer fixed sooner and not later. Educating the local population about the sewer system was also discussed, as well as, arranging a meeting with the One Stop State of Oregon group concerning financing. Allen stated that she would not attend the One Stop meeting without the City Engineer and City Planner and that a councilor could also attend should they wish to do so. Councilor Meyer stated that he liked Councilor Ferguson's idea of taking this presentation to the budget committee and making a decision after that. Allen asked if there was council consent and everyone agreed to instruct Allen said to present the slide show at the June 10, 2020 budget meeting.

CITY ATTORNEY'S REPORT: Presented by Jeffrey Clayson – Attorney Clayson stated that things were starting to gear up a bit with Phase II going into effect. He stated that Lebanon has a small protest but it did not affect Scio. The big message is to stay safe and continue to practice social distancing.

CITY MANAGER REPORT: Presented by Ginger Allen – Ms. Allen reported on city activities for the time period of May 6, 2020 – June 4, 2020 (see attached report). Allen asked if everyone had a chance to review the city managers report and then briefly went over the information outlined in the report. Allen asked if there were any questions? Martin gave an update on the Veterans Memorial Brick Project. Allen updated council on the continued use of COG due to an IT vendor falling through for the upcoming fiscal year 2020-2021. Allen also talked with council about Right-of-Way enforcement throughout town. Allen stated that she has had to notify citizens about illegal camper/rv parking and that so far everyone is working to do things correctly. In addition, Allen stated that she is "not" enforcing the removal of basketball hoops on the street due to the fact that there is no place for the kids to play when the parks are closed. Allen asked if anyone disagreed about the basketball hoops? Everyone concurred that the basketball hoops should be left alone for the time being. Jeffrey will look into the liability issues related to this issue and report back to council.

ITEMS FROM THE COUNCIL: Mayor Weaver asked that an executive session be set up to discuss the city manager contract. Ginger will place it on the agenda at the end of the June 22nd council meeting. Mayor Weaver will talk to Jeffrey and Ginger.

Nuber: No comments

Eckart: Parades have been wonderful

Gray: No comments

Meyer: I like the kids banners and hope that the kids get to keep them.

Whalen: No Comments

Ferguson: Welcome aboard John, thanks for doing this. Also, thank you Cathy for your Zoom meeting coordination, you're doing a great job.

BUSINESS FROM THE PUBLIC:

Katrina Clouse, 38971 W Scio Rd, stated that there would not be another community parade in June. Talked to a lot of the students and they love their banners, they are a great hit. Auctions will be starting up again soon.

Weaver thanked everyone for being here.

The meeting was adjourned at 8:03 p.m.

The next regular meeting is scheduled for June 22, 2020 at 6:00 p.m.

Ginger Allen
Scio City Manager