

MINUTES
DAYTON CITY COUNCIL
SPECIAL SESSION
&
WORK SESSION
February 18, 2014

PRESENT: Mayor Beth Wytoski (arrived at 6:42)
Councilor John Bixler
Councilor John Collins
Councilor Annette Frank
Councilor Darrick Price
Councilor Sandra Utt

ABSENT:

STAFF: Scott Pingel, City Manager
Peggy Selberg, City Recorder

A. CALL TO ORDER & PLEDGE OF ALLEGIANCE

Council President Frank called the meeting to order at 6:35 pm and those present gave the Pledge of Allegiance.

B. ROLL CALL

Council President Frank noted there was a quorum with Councilors Bixler, Collins, Price and Utt. Mayor Wytoski would arrive later.

C. APPEARANCE OF INTERESTED CITIZENS

Council President Frank introduced Kelly Haverkate (523 Ash St). Ms. Haverkate wanted Council to know that she had been approached by the organizers of an annual car show that had been an event during TurkeyRama in McMinnville every summer. She stated McMinnville was making it more difficult for this car show to have their event during TurkeyRama; consequently, they were looking for another city that would be interested in having an annual car show. Ms. Haverkate stated this car show usually had approximately 200 – 300 cars participating. She stated perhaps 4th and Main Street could be closed and maybe Legion Field could also be used for the car show. Ms. Haverkate stated this organization did bring in portable toilets and food. Council agreed that they would like Ms. Haverkate to contact this car organization to let them know that the City Council and the DCDA would be interested in knowing more about the event.

Council President Frank noted the arrival of Mayor Wytoski.

D. ACTION ITEMS

1. VFW donation request

Scott Pingel stated this was a donation that had been done in the past to replace the flags that were used around the park on Veteran's Day, Flag Day, etc.

**ANNETTE FRANK MOVED TO APPROVE THE
DONATION REQUEST FOR \$400 TO THE VFW.**

SECONDED BY SANDRA UTT. *Motion carried with Bixler, Collins, Frank, Price, Utt and Wytoski voting aye.*

2. PGE pole purchase presentation

Mayor Wytoski introduced Wendy Buck and Melissa Swenson from Portland General Electric. Ms. Buck stated they wanted to give Council a presentation on the City of Dayton LED streetlight offer (page 4 of the agenda). Melissa Swenson stated Council had already given PGE permission to change the PGE owned streetlights in Dayton to LEDs. She stated Council could also decide to have PGE acquire the streetlights that the city owned and that PGE maintained and convert those to LEDs. Ms. Swenson stated the option with PGE purchasing the city owned streetlights would mean that PGE would pay the city \$25,958. Scott Pingel stated this would also create an increase in the pole charges that the city would then have to pay for those PGE owned streetlights. Ms. Swenson stated these pole charges pay for the maintenance and any future pole replacements. Ms. Swenson stated with the LED only option the city would save approximately \$7,200 a year and with the other option the city would save \$400 a year. Scott Pingel stated most of the city owned poles were in the new subdivisions; consequently they would not have to be replaced for quite a few years. He stated his recommendation would be to take the fixtures only option since it would provide a longer-term benefit due to the cost savings it would provide the city. He explained that when a city owned streetlight had to be replaced then it would become PGE owned and the city would have to pay the pole charge for that light.

ANNETTE FRANK MOVED TO APPROVE TO MAKE THE LED CHANGES AND NOT SELL THE CITY OWNED LIGHT POLES. SECONDED BY JOHN BIXLER. *Motion carried with Bixler, Collins, Frank, Price, Utt and Wytoski voting aye.*

3. Fisher Farms property sale agreement approval

Scott Pingel stated one of the conditions for the purchase of this property is that the Council approves the sale agreement. He stated the list price for the property was \$795,000 and the city's offer was \$755,000 with the understanding that the city will pay \$10,000 for the mobile home that is on the property. Councilor Price asked if there would be any issues for the city if they would have to displace the individual renting the mobile home. Scott Pingel stated there should be no issues because the rental cost for the home would not qualify as low income and he did not think there was a family living there. He stated he would get more specifics from the owner of the property. Pingel stated the main risks were: (1) could the water rights be transferred for public domestic use; (2) do the wells produce the proposed amount of water; (3) can the water be treated with the city's current system. He stated the city would have 120 days to do due diligence to find out the answers to these questions. Pingel stated if at any point during this time if the results showed that the land was not acceptable the city could terminate the agreement. He stated the only money that the city would lose would be the cost to do due diligence which would be approximately \$18,000.

DARRICK PRICE MOVED TO APPROVE THE FISHER FARMS PROPERTY SALE AGREEMENT. SECONDED BY ANNETTE FRANK. Motion carried with Bixler, Collins, Frank, Price, Utt and Wytoski voting aye.

4. Resolution 13/14-7, changing signature authority for US Bank

Mayor Wytoski stated with the various changes on City Council there was now a need to authorize new signers for the city's US Bank checking account.

DARRICK PRICE MOVED TO ADOPT RESOLUTION 13/14-7 A RESOLUTION CHANGING SIGNATURE AUTHORITY FOR US BANK PRIMARY CHECKING ACCOUNT. SECONDED BY JOHN COLLINS. Motion carried with Bixler, Collins, Frank, Price, Utt and Wytoski voting aye.

5. 1st reading of Ordinance 617 – prohibiting Marijuana Dispensaries for 180 days

Mayor Wytoski stated after doing more research on this issue she felt comfortable with this temporary prohibition which will give the Council additional time to see what the new legislation states. Councilor Bixler performed the first reading of Ordinance 617.

ANNETTE FRANK MOVED TO APPROVE THE FIRST READING OF ORDINANCE 617, AN ORDINANCE OF THE DAYTON MUNICIPAL CODE ADDING CHAPTER 2.28 PROHIBITING MEDICAL MARIJUANA FACILITIES IN THE CITY OF DAYTON FOR 180 DAYS AND DECLARING AN EMERGENCY. SECONDED BY SANDRA UTT. Motion carried with Bixler, Collins, Frank, Price, Utt and Wytoski voting aye.

6. OLCC license renewals report

Scott Pingel stated this was for Council information only and there was no action required unless they would like to make an unfavorable recommendation to OLCC. He stated in order for Council to make an unfavorable recommendation would require the Council to state specific reasons for this recommendation. No action was taken.

E. WORK SESSION

1. Preliminary budget discussion – water and sewer funds

Scott Pingel stated he wanted to have the budget in front of the council before the actual budget

meeting so he could get any feedback before finalizing the budget proposal. He stated during this work session they would be reviewing the water and sewer funds. Scott Pingel stated the increase in revenue for the water service charges was largely due to the change to the way the city will bill the schools and the RV Park. The water service charges also reflect a \$1 increase in the base rate. Pingel stated in the personnel services he was budgeting for a 2% COLA as well as some changes that may be made to health insurance. He stated the main change in the water fund was the larger amount transferred to the Water Capital Fund in order to pay for major system improvements. He stated staff would be spending more in the water meters line item because staff would be more proactive in replacing old meters. In the Water Capital Fund he was budgeting conservatively for System Development Charges revenue by budgeting the equivalent of three SDC's. He stated with the increase in building new homes that revenue line item could be more next fiscal year. There was a new line item for reservoir maintenance of \$61,800 which was the cost of the maintenance contract with Utility Service Company for the Breyman reservoir. After 5 years that cost would be reduced to \$25,000 annually.

Scott Pingel stated in the sewer fund the sewer service charge was assuming a \$2 increase in the base rate and the \$30,000 decrease in revenue due to the changes in the billing for the schools and the RV Park. He also included a line item, land purchase loan, in case the city decided to purchase land for the sewer ponds and a corresponding land acquisition line item in capital outlay. Pingel explained the Sewer Capital Fund included the costs for dredging the sewer ponds as well as the cost to finish upgrading the 9th Street and Hwy 221 lift stations. He stated as with the revenue for SDCs in the Water Capital Fund the SDCs in the Sewer Capital Fund was a conservative amount and would probably be more with the increase in building.

2. **Payment Service Network fees discussion**

Scott Pingel stated staff had received some comments regarding the fees charged by using Payment Service Network (PSN) for online payment of utility bills. He stated when staff first started looking for online payment providers, the direction from Council was to find a company that would allow the city to pass on the payment fees to the customers using this online service. He stated currently approximately 93 customers had signed up to use PSN; however, only about 40 customers were actually using PSN to pay their bills. Pingel stated the city currently spends approximately \$4,000 annually on fees for customer that come into or call City Hall to pay their utility bills with credit cards. He explained that staff was receiving a large number of calls from customers paying with a credit card on or near the 10th of the month to avoid being shut off and this was taking a great deal of staff time to process. Pingel stated staff thought it would be better for the city to absorb the online payment fees if they could stop providing the credit card option at City Hall. Councilor Frank stated she was concerned if a customer needed to get their water turned back on and needed to use a credit card to make that payment and couldn't make that payment at City Hall. Scott Pingel stated they could call PSN and make that credit card payment and city staff can log onto PSN and see real time payments. Peggy Selberg stated she had never seen any customer paying with a credit card in order to get their water turned back on. She stated staff was getting the calls for credit card payments from customers paying their past due amount in order to avoid getting their water turned off for non payment. She stated approximately 130 customers a month either come into City Hall or call city staff to pay their water bill with a credit card. Selberg stated if the city does eliminate the credit card option at

City Hall the fees paid by the city through PSN would be more than the current amount of \$4,000. She explained this would increase because more customers would be using PSN and the city would be paying the \$1 fee for customers paying through their checking account. Councilor Price wanted clarification on the process if the city no longer took credit cards and customers called in wanting to pay with their credit card. Scott Pingel stated it would be a learning process of explaining to customers how to access PSN to make those payments and that it would take a few months for staff to make those changes. He stated staff would still take cash or check payments and would only be eliminating the credit card option. Councilor Collins did not like that proposal of eliminating the credit card option at City Hall. He suggested adding a fee to customers that do pay by credit card at City Hall. Scott Pingel stated he did not want his staff to have to take customer complaints when they are charged this fee. Councilor Collins does not want staff to have to spend so much time taking credit card payments; however, he would like to see another solution that would keep the credit card at City Hall but push more customers to use PSN. Mayor Wytoski stated she agreed with that sentiment. Peggy Selberg stated staff had tried to encourage customers to use PSN; however, customers do not want to pay the fees. Scott Pingel wanted to know if Council wanted to increase expenses by an additional \$4,000 by paying both online fees and the fees for paying at City Hall. Councilor Frank asked if these fees should be an expense that was considered in setting the water and sewer rates. Mayor Wytoski felt there were other reasons for rate increases other than to cover the cost of credit card fees. Councilor Frank asked if there was another online payment option, such as PayPal. Mayor Wytoski stated there were still fees associated with that option. Scott Pingel stated with PSN customers can view their water bill on line and that capability would not be available with PayPal. Scott Pingel stated there was not an issue with the customer that comes into City Hall to pay with a credit card, but rather with the customer that calls to make that payment. He explained those calls take a lot of staff time. Councilor Bixler asked if staff could establish a policy that they do not take credit card payments over the phone. Mayor Wytoski stated staff would still get complaints regarding that. Councilor Frank stated that no matter what option staff goes with it will take some time to educate customers. Council agreed that they would like staff to have a policy that they do not take credit card payments over the phone but will continue to take credit card payments for those customers that come into City Hall.

Mayor Wytoski noted the departure of Councilor Price at 8:45 pm.

E. CITY COUNCIL COMMENTS/CONCERNS

Councilor Collins stated he had attended the School Board meeting and wanted Council to know that the school would be getting the health center that had been discussed at a previous meeting. Mayor Wytoski stated her church had discovered an envelope with many historic documents and photos regarding properties and early surveys. She would like to bring these documents to City Hall and have them stored there. Mayor Wytoski stated she had talked with Scott Pingel regarding since the city could not pay top salaries to staff if there was a way to improve staff's benefit package. She stated Scott was already in the process of reviewing this issue. Scott Pingel stated after the CIS conference he would have more information and would then be able to talk to staff about any changes to some of their benefits, i.e. health.

F. INFORMATION REPORTS

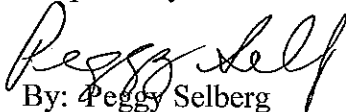
1. City Manager's Report

Scott Pingel wanted to know if Council felt staff should establish some policies for the Friday Night events that the business owners will be hosting. He wanted Council to take some time and think about the kind of policies and regulations that should be created if there ends up being a lot of vendors, etc. in the park during these Friday Nights event. He did want to make sure that any policies established would be as simple as possible and would benefit the local business owners. Scott Pingel stated at this time the business owners were still trying to decide exactly what they would like to see happen during these Friday nights. He stated they definitely want to have the car show and they want to be able to close off 4th Street and they would like to have it start as soon as weather permits. Council agreed that they were excited about this new event in Dayton but they did want staff to monitor it to make sure there were no problems or possible complaints from citizens.

H. ADJOURN

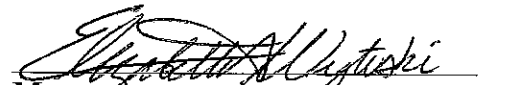
There being no further business, the meeting adjourned at 9:20 p.m.

Respectfully submitted:


By: Peggy Selberg
City Recorder

APPROVED BY COUNCIL on March 3, 2014

As Written As Amended


Mayor ELIZABETH WYTOSKI