

**CITY OF SCAPPOOSE  
CITY COUNCIL WORKSHOP  
OCTOBER 19, 2009  
AT 7:00 P.M.  
SCAPPOOSE, OREGON**

**Call to Order**

Mayor Burge called the workshop to order at 7:00 p.m.

**Present:** Mayor Scott Burge, Council President Jeff Bernhard, Councilor Judie Ingham, Councilor Larry P. Meres, Councilor Art Heerwagen, Councilor Jeff Erickson, City Manager Jon Hanken, City Recorder Susan Reeves, Police Chief Doug Greisen, Finance Administrator Jill Herr, Wastewater Treatment Plant Supervisor Steve Wabschall, Water Treatment Plant Supervisor Joe Lewis, City Planner Brian Varricchione, Field Services Supervisor Terry Andrews and Building Official Don Sallee.

**Also Present:** Darryl Swan with the Spotlight.

**Excused:** Councilor Donna Gedlich.

City Manager Hanken explained today what we would like to do is give everybody an overview as to where we are in the budget. We have some issues that are on the plate now and some that are will be coming. He explained you have a copy of the revenue and expenditure report in front of you and we will be going through that. In the general fund, we are right about where we should be in terms of the revenue. We have not received our property taxes yet so we will be seeing a big jump coming in November and December. Our expenses are right on target in terms of what we anticipate for the year.

Police Chief Greisen gave an overview of what is taking place currently in the Police Department. He explained the police department is in the process of hiring two officers and the hiring process takes approximately three months. There were 35 applicants that passed the written exam. Interviews will be taking place later this month. The successful applicants will be sent to the academy in January for four months then a field training program for another three months and hopefully on the road by August. He explained right now we do not have 24 hour coverage and we are paying overtime for different shifts but this is just a temporary bandage until we can get the other officers on board.

City Manager Hanken explained planning is slow.

City Planner Brian Varricchione gave an overview. He explained the estimated revenue was \$15,000.00 and we have received approximately 60% of that already, most of that is from the school district. He explained he is submitting an application to Department of Land Conservation and Development to request grant funding. He explained the time line for hearing back from DLCD is probably January or February. If we get the grant we will bring consultant on board to review our development code and bring everything up to date.

Building Official Don Sallee gave an overview. He explained the school is the big project and revenues are good because of it. We have issued approximately about 10 home building permits issues. He explained expenses are down and he has held his budget real tight. He stated he thinks the building department is on track.

Field Services Supervisor Terry Andrews explained the street fund is just basically maintaining, with no big projects on the horizon right now. He explained we will be looking at the next few months at a project using the surface transportation money to do some kind of street improvement, an overlay or something of that sort. He explained the street sweeping will be starting soon.

City Manager Hanken explained the revenue received for the street fund is from the State gas tax. There is a projected increase in the revenues that we will be receiving in the coming years related to our street fund which will help considerably. He explained one of the trade offs for getting the gas tax passed was a prohibition from local municipalities putting forward municipal gasoline gas tax for 4 years and after that any gas tax has to go to the voters for approval. Mayor Burge explained there was a huge trade off.

City Manager Hanken explained the storm drainage is a fund that Council decided not to put money toward in terms of a revenue fee, however there are issues out there. We are going to need to re-exam the need to go back and add funds to this or add a fee to this. He stated there is an issue on View Terrace Place and his guess to fix the problem it will be over \$50,000.00 and that will have to come out of the general fund contingency. He would like to have a discussion on this at a workshop at the end of November or the first of December. He stated there will be other fees that will need to be discussed then also.

Water Treatment Plant Supervisor Joe Lewis gave an overview. He stated we are 25% through the year and we should have 75% left and if you look at the water budget you will see a couple of places where that is not the case. He explained that has to do with there is a payment due and it doesn't have a regular month by month due date. He explained the SDC fund is down which the decrease in growth has caused the decrease in revenue. He stated for the short term this quarter we are actually sitting okay but I think we have a long term responsibility to balance the budget and we should look at the difference in numbers. He explained he would suggest looking at revenues and what it costs to run the plants. He explained at some point we are going to have to have some discussion with regards to increasing rates. He explained we are looking to the future for some additional needs then what we have identified next year and he would like to join the discussion on rates and revenues at the workshop in November or December.

Wastewater Treatment Plant Supervisor Steve Wabschall gave an overview and explained revenues coming in are as expected, right on target. He discussed the project being paid for out of SDC's.

City Manager Hanken explained in the first quarter numbers are looking good in terms of the revenues, they are not strong but they are what we anticipated. He stated there are things on the horizon that we need to address in terms of the expenditures. He stated the water and storm funds are the two that we have a lot of debt service. There is infrastructure in the water that needs to be done and there are repairs that need to be done in the storm system. He stated I know it is difficult to talk about looking at rates but we do need to be proactive. We do need to be looking into the next budget year already, it is something that we need to discuss.

There was a discussion on water rates increasing. Mayor Burge feels the City should look at CPI when thinking of increasing the water rates; that way the cost of operating just goes up with it. City Manager Hanken explained with City Council adopted the SDC's for transportation they established that as part of the automatic increase based upon CPI.

Council President Bernhard and Councilor Ingham feel that maybe we should look at increasing in small increments rather than having large increases.

Water Treatment Plant Supervisor Joe Lewis explained he feels instead of the monthly rate of roughly \$45.00 to increase to \$70.00 a month. He stated based on revenue and expenditure that are identified in this document we would need an increase of about \$25.44 a month from each of our 2,300 customers. Council President Bernhard explained when we get the information in November or December he would appreciate if we are going to look at increases that size that we look at a 2 year, 3 year, and a 5 year plan to really help spread out the increase.

City Manager Hanken explained because this one is one of the more pressing he will look at having a workshop at the end of November.

Mayor Burge thanked staff.

Mayor Burge adjourned the meeting at 7:27 p.m.

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Scott Burge, Mayor

Attest: \_\_\_\_\_  
Susan M Reeves, CMC  
City Recorder