

M I N U T E S

KEIZER CITY COUNCIL

Monday, May 21, 1990

Robert L. Simon Council Chambers
Keizer City Hall

CALL TO ORDER Mayor Orcutt called the regular session of the City Council to order at 7:37 p.m. Roll call was taken as follows:

Present: Andrew J. Orcutt, Mayor
Phil Bay, Councilor
Yvonne Fischer, Councilor
Mike Hart, Councilor
Bob Newton, Councilor
Bob Pritchard, Councilor
Joe Van Meter, Councilor

Staff: Don Otterman, City Manager
Chuck Stull, Chief of Police
John Lien, City Attorney
Bill Peterson, Engineer
Sue Darby, City Recorder

PUBLIC
TESTIMONY

Bob French, 1384 Manzanita Street NE, Keizer, testified that he will reluctantly support the budget recommended by the Budget Committee. He explained that the Chief of Police is once again put into the position of shooting at a moving target. The City Council must address the level of police service needed in this community. Comments have been made that the BPST study recommends a level higher than this community needs. However, the need of this community has not been determined.

Mr. French stated that the City philosophy is based on basic services. This, he indicated, means different things to different people. To him, basic services means fire and police. The City Council must engage in meaningful dialog with the community with respect to the desires of the residents. The City cannot keep postponing the issue and making the residents think they can have the services which they are unwilling to pay for. This scenario will again be repeated next year after the one year levy ends.

COMMITTEE
REPORTS

There were no committee reports to come before the Council.

PUBLIC
HEARING

Mayor Orcutt opened the public hearing to consider the manufactured home overlay zone.

Mr. Otterman reported that LCDC has made several comments with respect to this proposal. The Planning Commission is requesting that the City Council continue the hearing until the Commission has had the opportunity to review and comment on LCDC's concerns.

Don Miner, representing the Oregon Manufactured Housing Association, 2255 State Street, Salem, 97301, asked how the ordinance will be applied. Mr. Otterman responded that the Planning Commission has indicated it would like to deal with these requests on a case by case basis rather than designating certain neighborhoods as those in which manufactured homes may be permitted. Mr. Otterman stated that the standards for placing manufactured homes are outlined in Chapter 41.04 (1) through (7). These provisions stipulate the construction materials, roof lines, etc. so that manufactured homes will blend into the existing neighborhoods.

There being no further testimony to come before the Council, Mayor Orcutt continued the public hearing to the City Council's June 18 meeting.

PUBLIC
IMPROVEMENT
PLAN CHECK
AND
CONSTRUCTION
FEES

Mr. Peterson reviewed with the Council the proposal to initiate a public improvement plan check and construction fee program. He explained that the City provides services, either directly or indirectly, which benefit developers. The developers, in turn, are not required to pay for the cost of these services because the City has not adopted a fee schedule. For example, Marion County reviews street plans for developers in Keizer, and then charges the City for this service. The City, in turn, does not bill the developer. He indicated that the City does its own checking on water and sewer plans, and Salem checks sewer plans but for different reasons.

A typical lot would accrue public improvement costs of about \$6,000. This includes \$1,500 for water, \$1,500 for sewer, \$1,800 for streets, and \$1,200 for storm drains. Marion County and City of Salem charge minimum plan check fees of \$300. Mr. Peterson recommended a similar fee structure for the City of Keizer.

Councilor Pritchard expressed concern with the City of Salem charging developers a minimum \$300

for sewer plan checks, and the City of Keizer charging another \$300 for its plan checks. A larger development would pay more than the base and would be calculated at 1/4 of 1% of the estimated construction costs.

Councilor Hart questioned whether this is actual recovery of the City's costs or whether staff is recommending it because "everyone else is doing it". Mr. Peterson indicated that the City of Keizer incurs costs for development in excess of the fees he is recommending.

In response to a question from Councilor Hart, Mr. Peterson stated that Marion County reviews plans for street and storm drainage and bills the City of Keizer for those services. The City of Salem performs pressure testing and chlorination testing of water lines, and bills the City of Keizer. Salem does this testing because they have the equipment and it is more economical for them to perform this test.

Eric Meurer, Salem Homebuilders Assn., 549 Union Street NE, Salem, indicated that if developers are incurring expenses for the City, then the City should be paid for those costs. He asked, however, that these funds be placed into a dedicated account and closely monitored to see that they are used only for these purposes. He also asked that the City delay implementation of this until after the current construction season. This, he explained, would give developers advance notice so that they can calculate these costs into their own costs. He believed that January 1, 1991 would be reasonable for implementation.

Mr. Otterman indicated that he would have no objection to dedicating these funds, however, he would not wish to establish a separate accounting system or fund. They can be shown as a line item in the existing budget.

With respect to the implementation of this fee schedule, Mr. Otterman explained that the City is having a difficult time in balancing its budget. One consideration should be that developers are not reimbursing the City for these expenses. In addition, new development, which benefits the developer, does not generate any additional tax revenue for the City to provide services for that new development.

Councilor Pritchard expressed concern that the City not steer development away from Keizer and back into Salem. He objected to penalizing developers if the implementation date is set too soon.

Councilor Bay agreed with Councilor Pritchard's comments. He suggested an October date be set to allow construction now underway to be completed.

Councilor Fischer stated that Keizer does not follow suit because other jurisdictions are doing something. She suggested an earlier date for implementation.

Mr. Otterman indicated that if the Council, for example, set an October 1 date, developers would rush to get their projects filed prior to that time even though they will not be built until next spring. He commented that this fee will not severely impact developers when one considers that Phase 1 lots in The Meadows Subdivision topped out at \$17,000 last year and Phase 2 lots are starting at \$22,000 this year.

Councilor Pritchard indicated that he does not want to jeopardize the rate of progress in Keizer. He commented that with rising costs, a \$50,000 home now could cost \$100,000 in five years. The economy and low wages will preclude many people from purchasing homes. He objected to Keizer contributing to that outcome.

Councilor Fischer indicated that this may contribute to the City's deficit position in the near future if costs are not recovered.

Mayor Orcutt indicated that while he appreciates Mr. Meurer's position, he does not feel the fee schedule is excessive.

Councilor Bay moved for adoption of a resolution establishing plan check and construction permit fees with a July 1, 1990 implementation date. Councilor Van Meter seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Newton,
Pritchard, Van Meter (7)
NAYS: None (0)

TELEPHONE
FRANCHISE
FEES

Mr. Otterman explained that under recent State legislation, the City will not be able to charge permit fees to telephone companies for using the streets. If the City wishes to offset this amount, it can do so by way of franchise fee. Mr. Otterman indicated that repairs to City streets caused by utility cuts cost the City \$3,000 to \$4,000 annually. The City is currently collecting a 3% utility franchise fee from the telephone company. Because of the manner in which the fees will be calculated, the City will need to increase the fee to 3.9% to maintain the same level of revenue as the City now receives. In addition, Mr. Otterman suggested the City consider increasing the fee to include the \$3,000 to \$4,000 in street repair work. Staff will come back later with information on utility permit fees. A 4% fee will generate about \$1,400. A 4.25% fee will generate about \$6,000.

Mayor Orcutt recalled that early franchise negotiations with the utility companies indicated that the utility companies guaranteed their street cuts for life. Mr. Otterman responded that while the City has asked utility companies to fix the cuts, the end result is that the City ends up doing the work. He cited an existing example of a cut at River Road and Chemawa.

Responding to a question from Councilor Hart, Mr. Otterman indicated that staff will return to the Council with proposed street cut permits for all utilities except the telephone company. In the meantime, staff is researching the cost of repairing street cuts.

Councilor Van Meter moved for passage of an ordinance amending Ordinance No. 89-145 to comply with 1989 Oregon Laws, Chapter 484, with a 4% franchise fee. Councilor Bay seconded the motion.

Councilor Pritchard asked if it is possible to have utility cuts all made at the same time in new development. Mr. Otterman responded that the utilities are generally installed in new developments prior to the streets. Mr. Peterson added that in existing situations, and especially along the main arterials, the utilities come from different directions and it may not be possible to require this.

Councilor Hart indicated that since staff has indicated it costs the City \$3,000 to \$4,000

annually, he would not support the motion which would set a fee less than \$2,000 annually. Councilor Bay interjected that the major portion of the 3.9%, he believed, was for street cut repairs. Councilor Newton felt the charge is appropriate because the City charges its own Water Department for street repairs. He indicated that the City would repair only those that are not satisfactory.

Councilor Pritchard indicated that the percentage of repairs is fairly high, and that 4% will not begin to cover the City's costs at the present time or in the immediate future. He would prefer the fee be increased to 4.5% or 5%.

Mayor Orcutt asked about the utility companies' responsibilities in repairing the cuts to City standards. Mr. Lien believed the City could possibly require the utility companies to do this, perhaps by requiring a maintenance bond or some other form of security. Mayor Orcutt asked Mr. Lien to explore this option. He suggested the possibility of requiring the telephone company to obtain a permit even though there would be no permit fee. Councilor Bay indicated that the franchise agreement may address this matter, and it may be simply be a matter of enforcement. Mr. Lien noted that Keizer technically has a "business license" fee which is charged for the opportunity to do business in the city streets. It may be possible to accomplish the Council's objective through the permitting process.

Councilor Newton indicated that this is the first he has heard about the utility companies not maintaining their street cuts. He asked for additional data on this matter.

Responding to a question from Councilor Pritchard, Mr. Otterman indicated that he would recommend a franchise fee of 4.25% based on the current level of usage of the streets and the City's out of pocket expenses for damage.

The motion was approved by the following vote:

AYES: Orcutt, Bay, Newton, Van Meter (4)
NAYS: Fischer, Hart, Pritchard (3)

Mayor Orcutt indicated that the ordinance would return at the next meeting for second reading. Mr. Otterman said he would transmit the fee

information to the telephone company.

BALLOT LEVY

Councilor Hart moved to propose a one year fixed dollar operating levy for the June 26 ballot as presented by the City Manager, eliminating the lieutenant's position, eliminating the detective/YST clerk position, shifting the personnel clerk to the detective division, and purchasing two patrol vehicles rather than three, for a total of \$610,380 including uncollectibles. Councilor Pritchard seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Newton,
Pritchard, Van Meter (7)

NAYS: None (0)

NOXIOUS
VEGETATION

Mr. Otterman reviewed the staff report regarding amendment to the existing ordinance regarding notification to owners of property containing noxious vegetation. He explained that Section 4 of the ordinance is the subject of this proposal. The current ordinance requires posting of the property, along with three mailed notices. The proposed ordinance would eliminate the requirements for posting and the second notice. The remaining notices would be provided by certified mail.

Mr. Lien has asked that the ordinance be amended to include the ordaining clause as is appropriate for ordinances.

Councilor Bay moved for passage of an ordinance amending Ordinance 83-014 regarding removal of noxious vegetation as corrected. Councilor Pritchard seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Newton,
Pritchard, Van Meter (7)

NAYS: None (0)

CONSENT
CALENDAR

The Consent Calendar consisted of:

- a. May 7, 1990 Work Session Minutes
- b. May 7, 1990 Regular Session Minutes
- c. May 16, 1990 Special Session Minutes
- d. DUII Grant Proposal

Because of the absence of Councilors Newton and Pritchard at the May 7 meeting, these minutes were pulled from the Consent Calendar.

Councilor Newton moved for approval of the remainder of the Consent Calendar. Councilor Van Meter seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Newton,
Pritchard, Van Meter (7)
NAYS: None (0)

Councilor Hart moved for approval of the May 7 Work Session Minutes. Councilor Van Meter seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Van Meter (5)
NAYS: None (0)
ABSTENTIONS: Newton, Pritchard (2)

Councilor Hart moved for approval of the May 7 Regular Session Minutes. Councilor Bay seconded the motion. The motion was approved by the following vote:

AYES: Orcutt, Bay, Fischer, Hart, Van Meter (5)
NAYS: None (0)
ABSTENTIONS: Newton, Pritchard (2)

OTHER
BUSINESS

Development
Fee Package

Councilor Hart asked when staff will have the development fee package available. Mr. Otterman responded that the telephone company franchise fee schedule was a part of that package. The remainder he expects to have available by the second meeting in June.

Citizen
Request

Mayor Orcutt noted that Juanita King has asked that the City Council hold one of their regular meetings during the daytime so that senior citizens can attend and participate.

AGENDA INPUT

There were no additions suggested for the June 4 City Council agenda.

ADJOURNMENT

The meeting adjourned at approximately 9:15 p.m.

Respectfully submitted,


Susan Darby, City Recorder

APPROVED:

MAYOR

Ed O'Boyle
Joe Van Meter
Bob Fitchard

Mike Hart
Bob Newton
Yvonne Fischer