



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL

Council Chambers
17 Buchanan Ave. South, Eagle Point, Oregon
June 26, 2018

REGULAR MEETING AGENDA

1. CALL TO ORDER – 6:00 P.M.
2. FLAG SALUTE AND INVOCATION
3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA
4. PRESENTATIONS
5. PUBLIC HEARINGS
 - 5.1 Public Hearing to receive comment from interested parties for the proposed use of state revenues.
 - 5.2 Public Hearing to accept comment regarding adoption of the 2018-2019 budget as approved by the Budget Committee.
6. CONSENT CALENDAR
 - 6.1 Presentation of Regular Meeting Minutes of June 12, 2018.
 - 6.2 Presentation of Budget Committee Meeting Minutes of June 4, 2018.
7. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR
8. PRESENTATION OF BILLS TO BE PAID
9. OLD BUSINESS
10. NEW BUSINESS
 - 10.1 Resolution No. 2018-31. A Resolution authorizing adjustments to Revenues and Expenses within various funds for the 2017-2018 Fiscal Year.
 - 10.2 Resolution No. 2018-32. A Resolution certifying that the City of Eagle Point provides four or more municipal services.

City Council Agenda

June 26, 2018

Page 2 of 2

- 10.3 Resolution No. 2018-33. A Resolution declaring the City's election to receive state revenues.
 - 10.4 Resolution No. 2018-34. A Resolution adopting the 2018-2019 Budget, declaring tax levied, making appropriations for the 2018-2019 Fiscal Year, and categorizing the tax levy.
 - 10.5 Resolution No. 2018-35. A Resolution authorizing a General Fund donation in the amount of \$100,000 to the Butte Creek Mill Foundation for the Rebuild the Mill effort.
 - 10.6 Resolution No. 2018-36. A Resolution approving an updated job description and salary range for the Accounting Supervisor.
 - 10.7 Resolution No. 2018-37. A Resolution setting Wage Levels for Management Positions for the City of Eagle Point for 2018-2019.
11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES
 12. STAFF REPORTS
 - 12.1 Planning Department.
 - 12.2 Financial Department.
 - 12.3 Public Works Department.
 - 12.4 Police Department.
 13. INFORMATION
 14. EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(e), To conduct deliberations with persons designated by the governing body to negotiate real property transactions.
 15. ADJOURN

AGENDA AND COUNCIL PACKETS ALSO AVAILABLE ON WEBSITE

www.cityofeaglepoint.org

If a physical accommodation is needed to participate in this meeting, please contact the City Recorder at 541-826-4212 ext. 106 or TTY/TDD 711 or 800-735-2900. Notification of at least 48 hours prior to the meeting will assist the City in providing reasonable accommodations. (28 CFR 35.102-35.104 ADA Title II).

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON**

AGENDA STATEMENT

Item Number: 5.1 and 10.3
Meeting Date: June 26, 2018

ITEM NO. 5.1: Public Hearing to receive comments from interested parties for the proposed use of state revenues.


ITEM NO. 10.3: Resolution No. 2018-33. A Resolution declaring the City's election to receive state revenues.

SUBMITTED BY: Melissa Owens, Finance Director (541) 826-4212 ext. 104.

SUMMARY EXPLANATION: A share of certain tax revenues of the state are apportioned among and distributed to the cities. This includes cigarette tax, liquor tax, and gas tax. Cigarette tax and liquor tax revenues can be used by any department in General Fund. However, gas tax must be used by the Street Fund for street maintenance and improvements. The revenue is based on revenue received by the state and is distributed to the cities on a per capita basis.

State Revenue Sharing Law, Oregon Revised Statute (ORS) 221.770 requires cities to pass a resolution annually requesting state revenue sharing money. The law mandates public hearings be held by the City and certification of those hearings be included in the resolution. The proposed Resolution No. 2018-31 certifies that the mandated public hearings were held on June 4, 2018 by the Budget Committee and June 26, 2018 by the City Council.

FINANCIAL IMPACT: N/A.

APPROVED FOR SUBMITTAL:  _____
Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Staff recommends approval of this item.

RESOLUTION NO. 2018-33

A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES.

The City of Eagle Point ordains as follows:

Section 1. Pursuant to Oregon Revised Statute (ORS) 221.770, the City hereby elects to receive state revenues for fiscal year 2018-2019.

Passed by the City Council on the 26th day of June, 2018.

Approved by the Mayor on the 26th day of June, 2018.

Robert E. Russell, Mayor

ATTEST:

Cindy Hughes, City Recorder

I certify that a public hearing before the Budget Committee was held on June 4, 2018 and a public hearing before the City Council was held on June 26, 2018, giving citizens an opportunity to comment on use of State Revenue Sharing.

Cindy Hughes, City Recorder

**BUSINESS OF THE CITY COUNCIL
EAGLE POINT, OREGON
AGENDA STATEMENT**

Item Number: 5.2 and 10.4
Meeting Date: June 26, 2018

ITEM NO. 5.2: Public Hearing to accept comment regarding adoption of the 2018/2019 Budget as approved by the Budget Committee

ITEM NO. 10.4: Resolution No. 2018-34. A Resolution adopting the 2018/2019 Budget, declaring tax levied, making appropriations for the 2018/2019 Fiscal Year, and categorizing the tax levy.

SUBMITTED BY: Melissa Owens, Finance Director (541) 826-4212 ext. 104.

SUMMARY EXPLANATION: On June 4, 2018, the proposed 2018/2019 Budget was presented to the Budget Committee. A Public Hearing was held at that time to hear comments from the public regarding the 2018/2019 Budget.

A balanced budget was presented to the Budget Committee. In addition to the balanced budget, there were three policy issues that were presented to the Budget Committee that were not included in the proposed budget (unbudgeted). The three unbudgeted policy issues included:

1. Request from Eagle Point Community Association (EPCA) for donation of \$5,000
2. Cost of travel for Council Members to travel to Showa Japan (Sister City) \$1,500 - \$2,000 per Traveler
3. Request from Butte Creek Mill Foundation for donation of \$100,000

After the Budget Committee deliberated on the proposed budget, they deliberated on each of the three unbudgeted policy issues. The Budget Committee voted to approve the budget and include the three unbudgeted policy issues as follows:

1. Donation to Eagle Point Community Association was approved in the amount of \$5,000 with the stipulation that EPCA present a financial report to the City Council before the actual expenditure is made.
2. Travel costs to Showa Japan approved in an amount up to \$5,000.
3. Donation to Butte Creek Mill Foundation was approved in the amount of \$100,000 with the stipulation that Butte Creek Mill Foundation present a financial report to the City Council before the actual expenditure is made.

A Resolution will be presented to the City Council before checks are issued for each of these three expenditures.

The Proposed Budget was adjusted to accommodate the addition of these three expenditures by reducing the amount available in contingency by \$110,000.

Agenda Item No. 5.2 and 10.4

Page 2 of 2

The Budget as approved by the Budget Committee, including the three policy issues, is now being brought forward to the City Council for adoption. As part of the adoption process, a Public Hearing must be held which allows for public comment on the approved Budget. Following the Public Hearing, the City Council may adopt the 2018/2019 Budget as approved by the Budget Committee or the City Council may make changes to the budget. Attached is Resolution No. 2018-34 adopting the 2018/2019 Budget as approved by the Budget Committee, declaring the tax levied, making appropriations for the 2018/2019 fiscal year and categorizing the tax levy. Should the City Council choose to make changes to the budget before adoption, this resolution will need to be adjusted.

FINANCIAL IMPACT: \$22,641,579 - Total 2018/2019 Fiscal Year Budget

APPROVED FOR SUBMITTAL: _____

H 6/22/18

Henry Lawrence, City Administrator

STAFF RECOMMENDATION: Staff recommends accepting public comment during the Public Hearing. After taking public comment and after deliberating on the budget as approved by the Budget Committee, staff recommends approval of Resolution No. 2018-34 (as presented or with changes), a Resolution adopting the 2018/2019 Budget, declaring tax levied, making appropriations for the 2018/2019 Fiscal Year, and categorizing the tax levy.

ATTACHMENT: Notice of Budget Hearing Form LB-1

A public meeting of the City of Eagle Point will be held on June 26, 2018 at 6:00 pm at Eagle Point City Hall, Eagle Point, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018 as approved by the Eagle Point Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 17 Buchanan Ave, Eagle Point, Oregon, between the hours of 8:00 a.m. and 5:00 p.m. or online at www.cityofeaglepoint.org. This

Melissa Owens

(541) 826-4212 X104

melissa@cityofeaglepoint.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2016-17	Adopted Budget This Year 2017-18	Approved Budget Next Year 2018-19
Beginning Fund Balance/Net Working Capital	8,347,750	9,339,777	10,269,179
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	6,092,595	5,560,904	6,185,362
Federal, State and all Other Grants, Gifts, Allocations and Donations	767,512	1,470,168	2,344,846
Revenue from Bonds and Other Debt	0	500,000	496,000
Interfund Transfers / Internal Service Reimbursements	745,100	1,401,058	1,564,382
All Other Resources Except Current Year Property Taxes	86,576	74,100	146,900
Current Year Property Taxes Estimated to be Received	1,612,544	1,662,100	1,634,910
Total Resources	17,652,077	20,008,107	22,641,579

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	2,695,321	3,200,650	3,345,825
Materials and Services	1,881,391	2,249,348	2,588,615
Capital Outlay	3,571,669	9,226,972	11,039,752
Debt Service	318,921	484,281	444,735
Interfund Transfers	745,099	1,401,058	1,564,382
Contingencies	0	1,265,519	1,167,644
Special Payments	1,106,051	1,065,500	1,091,156
Unappropriated Ending Balance and Reserved for Future Expenditure	7,333,625	1,114,779	1,399,470
Total Requirements	17,652,077	20,008,107	22,641,579

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program FTE for that unit or program			
General Fund - Administration	277,991	345,980	385,050
FTE	2.37	2.62	2.62
General Fund - Municipal Court	58,298	58,600	61,625
FTE	0.40	0.40	0.40
General Fund - Building Department	279,081	194,220	236,975
FTE	0.95	0.95	0.95
General Fund - Planning Department	147,856	152,830	134,500
FTE	0.80	0.80	0.80
General Fund - Police Department	1,503,581	1,758,352	1,892,236
FTE	13.00	13.00	13.00
General Fund - Parks Department	176,830	272,850	261,000
FTE	0.50	0.85	0.85
General Fund - RVSS Billing Department	57,820	64,200	68,625
FTE	0.48	0.48	0.48
Not Allocated to Organizational Unit or Program	3,374,810	3,112,699	3,540,387
FTE	0.10	0.10	0.10
Parks SDC Fund	486,768	471,008	729,001
FTE	0.00	0.00	0.00
Park Capital Fund	64	98,000	0
FTE	0.00	0.00	0.00
Street Fund	1,629,638	1,427,318	1,375,595
FTE	3.09	3.59	3.59
Street SDC Fund	1,491,822	2,077,450	2,646,921
FTE	0.00	0.00	0.00
Street Capital Fund	58,077	47,620	77,118
FTE	0.00	0.00	0.00
Storm Water Fund	751,495	780,138	821,446
FTE	1.27	1.27	1.27
Storm Water SDC Fund	583,934	1,136,872	1,854,819
FTE	0.00	0.00	0.00
Water Fund	2,714,365	3,380,645	3,648,792
FTE	6.54	6.69	6.69
Water SDC Fund	675,163	769,294	960,333
FTE	0.00	0.00	0.00
Water Capital Fund	24,370	516,370	0
FTE	0.00	0.00	0.00

Sewer Fund	1,457,506	1,007,334	980,200
FTE	0.00	0.00	0.00
Water Debt Fund	777,195	841,129	1,119,908
FTE	0.00	0.00	0.00
98 GO Bond Fund	70,757	73,097	70,297
FTE	0.00	0.00	0.00
Capital Reserve Fund	1,018,203	1,324,500	1,707,740
FTE	0.00	0.00	0.00
Museum Fund	33,405	93,921	65,681
FTE	0.00	0.00	0.00
Vending Machine Fund	3,048	3,680	3,330
FTE	0.00	0.00	0.00
Total Requirements	17,652,077	20,008,107	22,641,579
Total FTE	29.50	30.75	30.75

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

The 2018/2019 budget includes a 4% increase in Water Rates. In 2017/2018 a water bond was finalized to increase bond indebtedness by \$2,737,341 (a 40 year bond through USDA). In June 2018, a 5 year loan was established in the amount of \$600,000 to pay for the Public Works Heated Storage project.

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2016-17	Rate or Amount Imposed This Year 2017-18	Rate or Amount Approved Next Year 2018-19
Permanent Rate Levy (rate limit 2.4584 per \$1,000)	2.4584	2.4584	2.4584
Local Option Levy	0	0	0
Levy For General Obligation Bonds		60,060	56,980

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$50,000	
Other Bonds	\$5,598,638	
Other Borrowings	\$600,000	
Total	\$6,248,638	

RESOLUTION NO. 2018-34

A RESOLUTION ADOPTING THE 2018/2019 BUDGET, DECLARING TAX LEVIED, MAKING APPROPRIATIONS FOR THE 2018/2019 FISCAL YEAR AND CATEGORIZING THE TAX LEVY.

BE IT RESOLVED that the City Council of the City of Eagle Point hereby adopts the budget for the Fiscal Year 2018/2019 in the total amount of \$22,641,579 now on file at City Hall.

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2018, and for the purposes shown below, are hereby appropriated:

General Fund		Street Fund	
Administration	\$385,050	Personnel Services	\$361,800
Municipal Court	\$61,625	Materials & Services	\$343,150
Building Department	\$236,975	Capital Outlay	\$447,725
Planning Department	\$134,500	Transfers	\$72,920
Police Department	\$1,892,236	Contingency	\$150,000
Parks Department	\$261,000	Total Street Fund	\$1,375,595
RVSS Billing Department	\$68,625		
Non Departmental	3,540,387	Storm Water Fund	
Total General Fund	\$6,580,398	Personnel Services	\$121,100
		Materials & Services	\$88,150
Water Fund		Capital Outlay	\$508,196
Personnel Services	\$716,600	Contingency	\$100,000
Materials & Services	\$877,025	Transfers	\$4,000
Capital Outlay	\$990,090	Total Storm Water Fund	\$821,446
Contingency	\$250,000		
Transfers	\$690,077	Sewer Fund	
Reserves	\$125,000	Special Payments	\$980,200
Total Water Fund	\$3,648,792	Total Sewer Fund	\$980,200
Water SDC Fund		Park SDC Fund	
Capital Outlay	\$709,142	Capital Outlay	\$703,201
Debt Service	\$25,800	Debt Service	\$25,800
Transfers	\$114,435	Total Park SDC Fund	\$729,001
Special Payments	\$110,956		
Total Water SDC Fund	\$960,333		

Storm Water SDC Fund		Street SDC Fund	
Materials & Services	\$25,000	Capital Outlay	\$2,608,221
Capital Outlay	\$1,791,119	Debt Service	\$38,700
Debt Payment	\$38,700	Total Street SDC Fund	\$2,646,921
Total Storm Water SDC	\$1,854,819		
Water Debt Fund		Street Capital Project Fund	
Debt Service	\$263,935	Capital Outlay	\$77,118
Reserves	\$855,973	Total Street Capital Fund	\$77,118
Total Water Debt Fund	\$1,119,908		
Vending Machine Fund		98 GO Bond Fund	
Materials & Services	\$3,330	Debt Service	\$51,800
Total Vending Fund	\$3,330	Reserves	\$18,497
		Total 98 GO Bond Fund	\$70,297
Museum Fund		Capital Purchase Fund	
Materials & Services	\$47,681	Capital Outlay	\$1,707,740
Capital Outlay	\$18,000	Total Capital Purchase Fund	\$1,707,740
Total Museum Fund	\$65,681		

BE IT RESOLVED that the City Council of the City of Eagle Point hereby imposes the taxes provided for the adopted budget at the rate of \$2.4584 per \$1,000 of assessed value for operations; and in the amount of \$56,980 for bonds; and that these taxes are hereby imposed and categorized for tax year 2018/2019 upon the assessed value of all taxable property within the district.

	General Government Limitation	Excluded from Limitation
General Fund	\$2.4584/\$1000	
98 GO Bond Fund		\$56,980

The above Resolution statements were approved and declared adopted on this 26th day of June 2018.

Robert Russell, Mayor

Cindy Hughes, City Recorder



CITY OF EAGLE POINT

"Gateway to the Lakes"

OREGON

EAGLE POINT CITY COUNCIL
17 BUCHANAN AVE. SOUTH, EAGLE POINT, OREGON

JUNE 12, 2018

REGULAR MEETING MINUTES

1. CALL TO ORDER – 6:00 P.M.

Mayor Russell called the meeting to order at 6:00 p.m.

Council Members Present: Bob Russell, Jonathan Bilden, Bill Fierke, Ruth Jenks, James Mannenbach, Kathy Sell, and Michael Stanek.

Staff Members Present: Henry Lawrence, City Administrator; Souvanny Miller, City Attorney; Darin May, Interim Police Chief; Robert Miller, Public Works Director; Melissa Owens, Finance Director; Mike Upston, Planning Director; and Cindy Hughes, City Recorder.

Guests: Jackson County Commissioner Roberts; Sara Rubrecht, Josephine County Emergency Manager acting on behalf of Jackson County; John Ghilarducci, President, FCS Group; Mike Bull, Century West Engineers; Suzi Collins, Planning Commissioner; Eric Gunn, Budget Committee Member; Kevin Walruff, Planning Commissioner; Millie Wewerka, Planning Commissioner and Budget Committee Member; and members of the public and press.

2. FLAG SALUTE AND INVOCATION

Mayor Russell led the Pledge of Allegiance; and Councilor Bilden offered the invocation. Following the invocation, Mayor Russell reminded everyone about quieting cell phones until after the meeting.

3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA

Suzi Collins, a resident of Eagle Point, presenting on behalf of the Eagle Point Senior Center, announced reaching their goal for the roof replacement and it being installed. She is also running unopposed for the Senior Center's Office of President.

Rick Drake of Eagle Point stated opposition of not allowing access to his property from Linn Road. Mr. Drake reported his home being built in the early 50's and having had access to the side yard from Linn Road for thirty years. Mr. Drake noted that without

City of Eagle Point Council Meeting Minutes

June 12, 2018

Page 2 of 11

access, he is blocked out of the back yard where he parks an RV. Parking in the front driveway causes an obstruction when backing out of the driveway, and he further noted traffic congestion related to the high school. Mr. Drake requested the City to recheck its decision. Mayor Russell stated the City will look at the decision and talk about it.

Liam Gruszczenski of Eagle Point Scout Troop 48 requested the Council to allow movable sheds to be relocated to a public property such as the Public Works storage area. Mayor Russell acknowledged all of the good to the community by the Scouts and suggested contacting the Public Works Director, Robert Miller. Councilor Sell clarified the move date in September.

There were no other audience questions or comments.

4. PRESENTATIONS

There were no Presentations.

5. PUBLIC HEARINGS

5.1 Public Hearing regarding the intent to modify water, storm water, transportation, and parks system development charges (SDCs).

Mayor Russell announced the Public Hearing had been advertised and all legal notifications were made in compliance with state and local laws. Mayor Russell went on to explain that in addition to a presentation from Staff, all persons interested in offering testimony would be allowed to speak at the appropriate time.

At 6:10 p.m., Mayor Russell opened the Public Hearing regarding the intent to modify water, storm water, transportation, and parks system development charges (SDCs).

Henry Lawrence, City Administrator, welcomed John Ghilarducci, President of FCS Group, from Washington. Mr. Lawrence reported the FCS Group is known as the experts on System Development Charges. Mr. Ghilarducci presented a PowerPoint presentation (Submission No. 1), starting with an SDC basics overview. SDCs are designed for development to pay for development, and great attention is given to ensure that they are not overcharged.

About the key characteristics of SDCs:

- SDCs are one-time charges, not ongoing rates.
- Properties which are already developed do not pay SDCs unless they “redevelop”.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both future and existing cost components.

Next, Mr. Ghilarducci explained that the legal framework for SDCs is based on ORS 223.297-314, known as the SDC Act, providing “a uniform framework for the

City of Eagle Point Council Meeting Minutes

June 12, 2018

Page 3 of 11

imposition of system development charges by governmental units” and establishing “that the charges may be used only for capital improvements.”

SDC Components include:

Reimbursement Fee – Fair share of existing capacity.

Improvement Fee – Fair share of future planned capacity.

System Development Charge – Fair share of existing and future capacity.

Mr. Ghilarducci showed how SDC Calculations are established using the following formula:

Reimbursement Fee		Improvement Fee		System Development Charge
Eligible value of unused capacity in existing facilities	+	Eligible cost of planned capacity increasing facilities	=	\$ per unit of capacity
÷ Growth in system capacity		÷ Growth in system capacity		

Next, Mr. Ghilarducci reviewed Water SDCs and explained about the water SDC fee being based on Meter Capacity Equivalents (MCE) which is the meter flow capacity. He also discussed the pro-rata share of debt deduction from reimbursement fee cost, and the large improvement fee for the new storage tank. A large improvement fee in this category is based on the new storage tank at \$5M. The total SDC is \$2,990 per MCE. Mr. Ghilarducci further explained how the law allows the City to recover the cost of a program, including related studies such as this one by the FCS Group.

Transportation SDCs fee based on average daily personal trips (ADPTs) for all types of trips including vehicle, bike, and pedestrian trips that better fit the projects planned in Eagle Point. Current Transportation SDCs are charged on an estimate based on peak hour trips. The change in basis is anticipated to have a minimal impact for single residences. A large improvement fee project is the Little Butte Park Pedestrian Bridge at \$3.2M. The total SDC is \$204 per ADPT, slightly less than the current amount.

Parks SDCs is the only category increasing, mostly due to the future development of Highlands Park with a large improvement fee at \$4M. The total SDC is \$1,509 per capita. The calculated SFR charges per dwelling unit increased to \$3,748 from \$2,304. Population estimates were from Portland State University.

City of Eagle Point Council Meeting Minutes

June 12, 2018

Page 4 of 11

Stormwater SDCs is based on the same methodology, Equivalent Service Units (ESUs) with 1 ESU equaling 3,000 square feet of impervious surface area. The total SDC is \$1,858 per ESU, a decrease from approximately \$2,000.

Mr. Ghilarducci reviewed the summary of the current and proposed SFR charges with an increase of slightly more than \$500, as shown below:

	Current	Proposed
Water*	\$3,324	\$2,990
Transportation	\$3,529	\$3,242
Parks	\$2,304	\$3,748
Stormwater	<u>\$2,164</u>	<u>\$1,858</u>
Total	\$11,321	\$11,838

**Water SDC excludes Medford Water Commission*

Mr. Ghilarducci went on to explain that Eagle Point's SDCs are already among the highest in the region but similar to the Portland metro area. Additionally, Mr. Ghilarducci reported on the necessity of adopting Capital Improvement Plans with a project list for each SDC, and about noticing requirements.

Councilor Fierke inquired about Portland State University's projections, and Mr. Ghilarducci requested to follow up later as the information was not readily available.

Henry Lawrence, City Administrator, reported on this being the fourth time for the Council to work on this item and their direction at the February meeting to lower Parks SDCs. Mr. Ghilarducci noted three of the four SDCs being lowered. Backing out the Medford Water Commission fee, the total increase is \$517, less than a 5% increase more than the current charges. Mr. Lawrence added that in addition to adopting the methodology, the City is also trying to clean up the Municipal Code dealing with SDCs as part of this Ordinance. The proposed Ordinance includes extensive revisions to the appeals process, credits, and exemptions.

With regard to Chapter 15.16.315, Exemptions, Mr. Lawrence discussed and proposed exempting from further Transportation SDC charges, the change of use of an existing building or tenant space, with the exception of additions to the square footage. The City of Medford has a 3-year statute of limitation for change of use, and the proposed Ordinance included a 5-year period.

Chapter 15.16.370, regarding the Downtown Discount Incentive Program is a proposed discount of 75% on Transportation SDCs. Mr. Lawrence explained that the Downtown Incentive Program should be robust in order to generate activity in the downtown area and to serve as an incentive to developers. Mr. Lawrence noted that Mr. Ghilarducci probably did not agree with the number as he is likely more in the 20% range. However, Mr. Lawrence reported reviewing it with Attorney Mark Bartholomew and reported Mr. Bartholomew's opinion that it is legally supportable and there is a rational basis for a city to discriminate in favor of downtown

City of Eagle Point Council Meeting Minutes

June 12, 2018

Page 5 of 11

development. During the recession, cities were doing all kinds of things like discounting or waving SDCs as an incentive. Mr. Lawrence further noted that the incentive should be reviewed periodically and is not intended to last forever as development is completed.

Additionally, Mr. Lawrence reported a change should be made throughout the document to a staff title listed as Community Development Director to the title of Planning Director. Mr. Ghilarducci followed up on Portland State University's projected population increase of over 4,000 people through 2036. Mr. Ghilarducci further reported that indexing provided by the statute allows the City to raise SDCs with inflation as an administrative action without having to do a study every time.

Mayor Russell applauded staff for its work on this item, and reported liking the idea of inflation adjustments. Next, Mayor Russell invited public testimony in favor of the proposal.

Bob Pinnell of Eagle Point reported on his business located in Eagle Landing for nearly 7 years, and being in favor of looking at incentives as the buildings there are almost 60% empty. However, he stated that pot shops bother him, and also that it is much better to drive by a full place than a half empty one. In addition, he reported on a lot of turnover in renters at that location. Mayor Russell asked if there were questions for Mr. Pinnell and there were none.

Aaron Schulz of Eagle Point stated that a reduction of SDCs in downtown would be wonderful. Mr. Schulz asked for expansion of the incentive area to include the Napa District, citing vacant commercial lots. Mr. Lawrence responded that it could be added with the Council being willing to do so. Mayor Russell commented on the location being at the edge of downtown.

Mayor Russell then invited testimony in opposition; however, there being no testimony or final comments, the Public Hearing closed at 6:44 p.m.

Next, Mayor Russell reported the proposed Ordinance No. 2018-06 was scheduled later in the Agenda as Item No. 10.1. Further, there being no objection to changing the order of business, Mayor Russell asked to discuss and deliberate the proposed Ordinance No. 2018-06.

Discussion ensued about:

- The 75% SDC discount being designated for commercial or mixed use with high density residential but not straight residential. This incentive applied only to Transportation SDCs, usually the largest part of the total SDCs, and paying fair share in other SDC categories.
- Clarification that the SDCs shown earlier were only for residential use.

City of Eagle Point Council Meeting Minutes

June 12, 2018

Page 6 of 11

- A 3-year incentive period vs. 5-year period, and 75% being just a number but providing an incentive of over 50%.
- Seattle ENR Construction Cost Index (CPI vs. National CPI), but not being representative of small towns. While it is not perfect, it is the best guideline available and used in the Ordinance although it could be based on Consumer Price Index or Construction Cost Index.
- City Administrator agreed to present the Cost Index to the Council every year near July 1st for a decision as to whether to add an annual inflation increase.

Mayor Russell polled the Council and they expressed support about including the following in the Ordinance: time period of three years for the incentive, using a 75% incentive in the Downtown Area, keeping the same Index, expanding the incentive area to include the Napa District, and correcting the staff title to Planning Director. Mr. Lawrence agreed to present the Cost Index every year.

Councilor Stanek offered a motion to adopt Ordinance No. 2018-06, an Ordinance adopting a methodology and other provisions relating to imposition and collection of System Development Charges for Water, Transportation, Parks, and Storm Water, setting rates and adopting a Capital Improvement List, and Repealing Ordinance Nos. 2004-18, 2009-10, 2009-11, and 2009-12 including the discussed changes; and Councilor Bilden seconded the motion. There was no discussion. Roll call: Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; Bill Fierke, yes; and Bob Russell, yes. The motion passed unanimously.

6. CONSENT CALENDAR

6.1 Presentation of Regular Meeting Minutes of May 22, 2018.

Mayor Russell announced the Consent Calendar. Cindy Hughes, City Recorder, proposed revisions to the Minutes in the area after the Executive Session listed as Item 14 to clarify that the Council deliberated Item 10.8 thereafter as well as a revision to the opening and closing times. There were no questions or comments. Councilor Bilden moved to approve the Consent Calendar as presented with the proposed revisions and Councilor Fierke seconded the motion. There was no discussion. Roll call: Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; and Bob Russell, yes. The motion passed unanimously.

8. PRESENTATION OF BILLS TO BE PAID

Mayor Russell asked if there were questions about the bills to be paid including the additional bills list. There were no questions, Councilor Bilden moved to approve the Regular Bill List in the amount of \$129,666.54 and the Additional Bills List in the amount of \$15,379.52 (Submission No. 2). Council President Jenks seconded the motion. There was no discussion. Roll call: Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; and Bob Russell, yes. The motion passed unanimously.