

**DALLAS CITY COUNCIL**  
**Tuesday, February 22, 2011**  
**Council Chambers**

The Dallas City Council met in regular session on Tuesday, February 22, 2011 at 7:00 p.m. in the Council Chambers of City Hall with Mayor Brian Dalton presiding.

**ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council members present: Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor Mark McDonald, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr.

Also present were: City Manager Jerry Wyatt, City Attorney Lane Shetterly, Finance Director Cecilia Ward, Community Development Director Jason Locke, Police Chief John Teague, Fire Chief Bill Hahn, and Recording Secretary Emily Gagner.

Mayor Brian Dalton led the Pledge of Allegiance.

**QUESTIONS OR COMMENTS FROM THE AUDIENCE**

Mayor Dalton explained that those speaking would need to limit their comments to five minutes. He added if there were any comments on agenda items to please make them now.

Chelsea Pope, Executive Director of the Dallas Area Chamber of Commerce and Visitors Center, invited the Council to some upcoming events. She mentioned the February 28 Chamber luncheon would feature the Chamber and Visitors Center. Ms. Pope explained that on Wednesday, March 2, Dallas would be the spotlight for Travel Oregon's First Wednesday event in downtown Salem from 5 to 7 p.m. She also noted the ribbon cutting for Dallas Supermarket would be March 3 at 12:30 p.m.

Steven DeDominick spoke to protest his lack of consideration for inclusion as a voting member of the gasification plant citizen committee. He stated he was told his name was included in the discussion at a prior City Council meeting but the list was moved to be accepted as submitted without his name included. He explained there was no timeframe and the fact that his name was mentioned shows his name was submitted in time for actual consideration. He indicated he was as well versed and knowledgeable as anyone else about the gasification plant, noting he ran for Council in November and attended Mr. Bergeron's presentation on the proposed plant. He asked for the Council to reconsider adding him to the Committee.

Shawn Beaton, Kids, Inc. President, asked as the Council entered into the budget season to keep Kids, Inc. in mind. He stated they provide a lot for the community and face many challenges, adding anything the Council could do for them would be greatly appreciated.

**PUBLIC HEARINGS**

NONE

**CONSENT AGENDA**

Councilor Woods asked if they would be seeing other committee updates, such as for the Economic Development Commission. Mr. Wyatt stated those would be included as they became available.

It was moved by Councilor Woods and seconded by Councilor Wilson to approve the Consent Agenda as presented. The motion carried unanimously.

Items approved by the Consent Agenda were: a) approval of February 7, 2011, City Council minutes; b) acknowledge report of the January 25, 2011, Park and Recreation Board meeting.

**ITEMS REMOVED FROM CONSENT AGENDA**

There were none.

**REPORTS OR COMMENTS FROM COUNCIL**

Councilor McDonald stated he would like to move to include Mr. DeDominick on the gasification plant committee. Mayor Dalton recommended discussing that under "other" later on the agenda.

Council President Scroggin indicated the Fire Departments' Sweetheart Ball was held the other night, noting he looks forward to it every year. He noted Chief Hahn and Dennis Unger were both honored for 40 years of service to the City.

## **REPORTS FROM CITY MANAGER AND STAFF**

### **AUDITOR PRESENTATION**

Ms. Ward stated she was happy to present the audit for fiscal year ending June 30, 2010. She introduced Kamala Austin of Merina and Company LLP.

Ms. Austin indicated this was the first year Merina did the City's audit. She then presented their findings, which were included in the executive summary. She reported they provided a clean opinion, which is the highest level of assurance the City could receive for their financial statements.

Ms. Austin explained the reason for the uncorrected misstatements mentioned was that the books were closed for the fiscal year and when other financial information came in, they authorized it to be included in the next fiscal years' records.

Ms. Austin reviewed the control deficiencies they had identified and discussed the corrective actions taken by the City.

Council President Scroggin asked if Ms. Austin had any recommendations for how much contingency funds the City should maintain. Ms. Austin stated that was a fiscal policy for the Council to address when they do the budget each year.

Mr. Wyatt stated the new software upgrades delayed this audit some. He mentioned the Council had formally adopted fiscal policies the previous year which addressed the Council's contingency fund goal. Mr. Wyatt did note with the current state of the budget and the economy, staff would be looking to change the way things operate and where revenue comes from, adding there would be changes coming.

### **AQUATIC CENTER RATE REVIEW**

Mr. Locke reviewed the proposed rate schedule that included additional information requested by the Council at the previous meeting.

Mr. Locke then discussed a single rate option, noting other facilities similar to ours have gone to that type of rate system. He stated a single rate option has a number of advantages, such as the fact that it would simplify things and allows the City to target-advertise in areas outside of Dallas. He noted the single rate option would include a single rate for annual memberships, but the Council could consider granting residents a 10% discount on the annual pass. Mr. Locke stated another benefit of the single rate option would draw in more people from outside the City and they would hopefully spend the day here and visit other Dallas businesses. He added with more people using the facility, more revenue would be generated which would result in the Aquatic Center relying less on the General Fund for operating costs.

Councilor Lawson reviewed the annual membership rates for the single rate option noting it would substantially reduce the rate for non-residents and provide no change for residents. She asked if that would address the reason for having to raise rates. Mr. Locke stated it was an unknown, but the proposal would clearly increase annual membership rate levels and it should make up for the difference.

Council President Scroggin asked if there would be any increase in costs for swim team use. Mr. Locke explained those fees are negotiated from year to year, adding he didn't anticipate an increase in those rates. Council President Scroggin asked what the fee was for physical therapy rehab patients from the hospital. Mr. Locke explained the rate increased for all physical therapists last year to \$11 per patient per visit. He added that generates quite a bit of revenue. Mr. Shetterly

explained that was a contractual agreement and not part of the fee schedule.

Councilor McDonald asked if anyone had looked at the decline in revenue on a statistical basis compared to a graph of promotions done on the center to see if changes in promotion affected revenue. Mr. Locke indicated he has looked in terms of what return on investment they get on advertising, adding he has scaled back fairly significantly. In response to a question, Mr. Locke indicated in the past he advertised on the radio and Comcast, as well as buses, movie theaters, and mall booths. Councilor McDonald stated one of the basic tenets of business is when revenues decrease, you increase promotion. He recommended offering incentives or promotions to the local populace since it would behoove us to have more local members, adding a one-time incentive might get more residents in to the facility. He noted he looked at the facility the previous day and it was beautiful. He explained the price differential versus a health club makes the Aquatic Center an attractive option. Mr. Locke mentioned one of his most successful promotions was a punch card allowing people to swim free for five visits. He stated they had almost 300 people sign up for that with 25 people purchasing memberships directly because of that.

Councilor Jones asked what the timeframe would be when the City could call the rate change and increased marketing a success or failure. Mr. Locke stated in the short term he would know by the end of summer. Mr. Wyatt confirmed they would know in six months.

Councilor Lawson recommended looking at the single rate option as a special promotion or test run to see what kind of momentum it generated. She said then if the City did have to increase rates, the Council could implement the non-resident rates as projected.

Councilor McDonald asked if both options represented a rate increase. Mr. Locke stated they did, although one was less than the other. Councilor McDonald recommended trying to increase promotions without raising rates, which might lead to a falloff in customer levels.

Mayor Dalton stated he would like to have staff provide more clarification and bring it back to the Council. Councilor Fairchild stated he liked the single rate option with the 10% discount for resident annual rates. Councilor Jones stated she liked trying the single rate option as a promotion. Mr. Shetterly indicated the Council could adopt a resolution for three months only. Mr. Wyatt agreed they could try the promotion for three months.

It was moved by Councilor Fairchild and seconded by Councilor Lawson to direct the City Attorney to draft a resolution to adopt the proposed Dallas Aquatic Center single rate option fee schedule with the 10% discount for residents on annual passes for a three month promotional period. Councilor McDonald stated he thought an increase in rates would have a detrimental effect and recommended caution. The motion carried by a majority with Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES and Councilor McDonald voting NO.

#### COUNCIL VACANCY PROCEDURE

Mr. Wyatt reviewed the staff report. Councilor Woods stated the Administrative Committee discussed the interview portion of the process could be a set of questions pre-arranged by the Council. Council President Scroggin asked if the applications would be kept on file, or if the City would ask for new ones for each opening. He then asked how long it would take to go through the process to have a Council person seated. Mr. Wyatt stated he planned to hold the interviews during the April workshop, so a person could be appointed by mid-April, or about 45 days. Council President Scroggin indicated there should be a different process for someone who would be filling a four-year term than for someone who would fill a term of less than a year. Mr. Shetterly explained this didn't bind this Council or any future Council into this process. Councilor Lawson asked to expand the "Occupational Background" section to include volunteer service. Councilor Woods stated there was no reference on the form about the requirement that applicants be a resident of Dallas. It was agreed that could be addressed administratively with a cover letter.

It was moved by Councilor Wilson and seconded by Councilor Woods to approve the form and procedure as presented for filling the Council vacancy. The motion carried unanimously.

#### GARBAGE RATE RESOLUTION DISCUSSION

Mayor Dalton explained there were two issues on the agenda relating to Allied Waste, noting one later on the agenda dealt with the franchise agreement. He added the two issues were not related.

Chuck Lerwick of Allied Waste asked the Council if they had any questions. There were none.

It was moved by Councilor Woods and seconded by Councilor Wilson to direct the City Attorney to draft a resolution for the garbage rate increase. The motion carried by a majority with Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES and Councilor McDonald voting NO.

Councilor McDonald recommended the Council consider where they could raise funds or cut the budget before enacting franchise fees so they didn't put an additional burden on the citizens. He indicated it appeared to him that we have expenditures over revenues of approximately \$1.6 million in the general fund and the bottom line on total government expenditures so far this year, they have shrank the capital reserves \$850,000. He stated the City needs to save money so they don't burden the citizens more and it's not prudent to contemplate a franchise increase that would then spur a rate increase to the citizens at this time. Councilor Wilson stated that if there had been anything of that nature, the auditor would have brought that forward. Mr. Wyatt stated the \$1.6 million is transferred to the General Fund from the utilities in lieu of franchise fees. He said the utilities rely on the City for human resources, finance, payroll, billing, purchasing, and much more so that is part of the \$1.6 million that balances the General Fund. Councilor Voves replied the City was not \$1.2 million in deficit and would have cash carry over when the books were settled for the fiscal year. Councilor McDonald commented that total government expenditures have nibbled away at cash reserves by \$850,000. Mr. Wyatt stated the Council's goal was to keep the reserves at \$1 million or higher.

#### PARK HOST DISCUSSION

Mr. Wyatt reviewed the staff report. Councilor Woods asked if the host would be required to have insurance. Mr. Wyatt confirmed they would.

It was moved by Councilor Lawson and seconded by Councilor Marshall to direct staff to move forward with advertising for the Park Host position. The motion carried unanimously.

#### OATH OF OFFICE ORDINANCE DISCUSSION

Mr. Shetterly reviewed his memo to the Council. He presented a compromise ordinance which established a standard form of oath so it was the same each year. He noted it was the same thing that was done at the last swearing in on January third with two options, both of which satisfy the Charter requirements. He added he also included an oath for the other Charter Officials – the city manager and municipal judge.

Councilor McDonald read a letter, a copy of which is included with the official minutes, regarding the proposed oath of office ordinance.

It was moved by Council President Scroggin and seconded by Councilor Voves to present the ordinance for first reading at the next Council meeting. The motion carried by a majority with Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES and Councilor McDonald voting NO.

#### OTHER

Mr. Wyatt reported that staff was working on the overlays for the next season, which would include Uglow Avenue and SW Mill Street and they were also working with the state to overlay Jefferson Street.

Mr. Wyatt indicated there were new street signs going up around town that were much larger than the old signs. He explained there was an unfunded mandate from the federal government to replace all signs within two years with larger letters to help our aging population.

Courtney Pope, Dallas High School Student Body Liaison, reported that the wrestling boys were going to State the following weekend. She noted DHS would be holding their annual ice cream

social on Tuesday, March 8 from 5 to 8 p.m., adding the cost would be \$2 for ice cream and there would be a silent auction and karaoke for everyone. Ms. Pope announced the Mr. Dallas contest would be held March 12 at 6 p.m. with the \$5 admission fee going to Polk County Relay for Life.

Mr. Wyatt explained that he and staff were in constant budget monitoring mode. He stated there were valid concerns brought up by Councilor McDonald, noting he did bring the beginning balance up from three years ago. He stated he didn't anticipate any more money coming the City's way and staff is looking at how to deal with that. He explained he already contracted out the water distribution functions, and there are some retirements coming up so he is looking at reorganizing and restructuring the existing departments. He noted he is working to cross-train personnel and looking at not filling the positions vacated by retirement. Mr. Wyatt indicated he has reduced staff very carefully over the past three years while trying to keep the existing service levels for our citizens.

## **RESOLUTIONS**

**Resolution No. 3216** – A Resolution limiting the fee for appeal of a Type III land use proceeding; and amending Resolution 3200, adopted June 7, 2010.

A roll call vote was taken and Mayor Dalton declared Resolution No. 3216 to have PASSED BY A UNANIMOUS VOTE with Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor Mark McDonald, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES.

## **FIRST READING OF ORDINANCE**

**Ordinance No. 1734:** An Ordinance relating to solid waste management in the City of Dallas, Oregon, including, without limitation, granting to Dallas Disposal Co., dba Allied Waste Services of Dallas, an Oregon corporation, the exclusive franchise to collect, transport, or transfer solid waste over and upon the city streets and first option to dispose of or recover materials or energy from solid waste generated or produced in the city; creating new provisions; providing penalties; and repealing Ordinance No. 1327, the existing franchise dated September 7, 1982, and all provisions of the City Code or ordinances in conflict herewith.

Mayor Dalton declared Ordinance No. 1734 to have passed its first reading.

## **SECOND READING OF ORDINANCE**

**Ordinance No. 1733:** An Ordinance amending provisions of the Dallas Development Code; and repealing conflicting provisions.

Mayor Dalton declared Ordinance No. 1733 to have passed its second reading. A roll call vote was taken and Mayor Dalton declared Ordinance No. 1733 to have PASSED BY A UNANIMOUS VOTE with Council President Wes Scroggin, Councilor Jim Fairchild, Councilor Beth Jones, Councilor Jackie Lawson, Councilor Kevin Marshall, Councilor Mark McDonald, Councilor David Voves, Councilor LaVonne Wilson, and Councilor Ken Woods, Jr. voting YES.

## **OTHER BUSINESS**

It was moved by Councilor McDonald to appoint Steven DeDominick to the gasification plant citizen committee. Councilor Wilson asked, as Chair of the Administrative Committee, to have the request brought to the Administrative Committee for review. The motion died for lack of a second. Councilor Woods stated there were others that were interested in serving on the committee but had come in late and asked that they all be brought back to the Administrative Committee. Mayor Dalton confirmed the consensus of the Council was to bring those applicants to the Administrative Committee for further consideration.

Mayor Dalton noted it was Councilor Voves' last meeting and he thanked him for his service.

There being no further business, the meeting adjourned at 8:33 p.m.

Read and approved this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

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Mayor

ATTEST:

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City Manager