

CITY OF PILOT ROCK

Council Meeting

January 6, 2015

7:00 PM

A. Called to Order

Having a quorum the Regular meeting was called to order by Mayor Carnes at 7:00. Council members present were Raymond Doherty, Ray Corwin, Kacie Moss and Bob Deno. Also present were Teri Porter, Steve Draper and Chief Richman. Citizens present were Mary Lue Slabik, John Taylor, Deacon Perkins, Phil Wright and Teresa Lachapelle.

INVOCATION

Pastor Jeffers gave the invocation.

1. PLEDGE OF ALLEGIANCE

2. APPEARANCE OF INTERESTED CITIZENS

None

3. PRESENTATIONS

None.

4. ACTION ITEMS

On a motion by Councilor Deno and seconded by Councilor Doherty Council agreed to add F-8 Partition of the Bike Pit Property. All present voted yes.

F-1 Swear in Newly Elected Councilor and Mayor

Teri Porter swore in Councilors Deno and Moss as well as Mayor Carnes.

F-2 Appoint Council President

Council wanted to appoint Councilor Moss as Council President. Since there were only 4 councilors present and Councilor Moss would have to abstain Council agreed to table this item until the next meeting.

F-3 Appoint Budget Officer

On a motion by Councilor Corwin and seconded by Councilor Doherty, Council appointed Teri Porter as the Budget Officer for fiscal year 2015-2016. All present voted yes.

F-4 Accept Chief Richman's Resignation

On a motion by Councilor Moss and seconded by Councilor Doherty, Council agreed to hire accept Chief Richman's resignation. All present voted yes.

On a motion by Councilor Doherty and seconded by Councilor Moss, Council agreed to take the discussion contract negotiation into executive session. All present voted yes.

Mr. Taylor made a statement regarding his high opinion of Chief Richman and the positive impact he has made on our community.

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In regards to hiring Gary David to assist in recruiting a new chief, Mr. Taylor asked Council to consider that our situation is much different than it was in 2008 and that Chief Richman knows better than anyone what the City needs. Mr. Taylor suggested that a committee be created made up of Chief Richman, John Mitchell, Stewart Harp, Andy Mentzer and Gary David, in hopes that they can come up with a Chief as good as Darren.

F-5 Proposal to Purchase Cell Tower Easements

Steve Draper presented Council with an offer from Unison to purchase the easement on which the cell towers sit, for the next 50 years at a price of \$750,000 ([attached to minutes](#)). Steve went on to explain that over the course of the next 22 years the City stands to earn at least \$1,130,761.68, which far exceeds the offer from Unison. He outlined the lease terms and anticipated revenue in his staff report ([attached to minutes](#)). Mr. Taylor raised the concern that technology is changing and that these towers may become obsolete and stated that the cell companies can pay as little as 3 months' rent and they can end the lease. Steve replied that if Unison was not confident that they were going to get revenue for 50 years they would not have made an offer, perhaps they know cell towers and have more insight than we do. Councilor Corwin stated that he would bet that Unison would put the same type of exit clause allowing them to back out of the lease as well. There was discussion regarding negotiating for a higher amount.

On a motion by Councilor Doherty and seconded by Councilor Moss, Council directed Steve to contact bankers Tracy Hamby and Mark Maskel, to review the proposal and advise us what would be in the best interest of the City.

F-6 Resolution 572 Supporting Participation in the CDBG Grant Consortium

Teri Porter asked Council to support the City's involvement in the Consortium to apply for the CDBG which if awarded could benefit low income citizens of Pilot Rock.

On a motion by Councilor Deno and seconded by Councilor Doherty, Council approved Resolution No. 572 Supporting Participation in the CDBG Grant Consortium. All present voted yes.

F-7 Steve Draper Vacation Request

On a motion by Councilor Moss and seconded by Councilor Corwin, Council agreed to approve vacation for Steve Draper. All present voted yes.

F-8 Partition of the Bike Pit Property

Teri Porter asked Council to approve the final plat of the Bike Pit property, which partitions the wood waste landfill (Mt. Judy) out of the property that is intended to be deeded to the Bike Pit. **On a motion by Councilor Corwin and seconded by Councilor Doherty, Council approved the final plat. All present voted yes.**

G INFORMATION ITEMS, REPORTS AND PRESENTATIONS

G-1 Department Head Report

City Hall:

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1. Working on getting the city owned industrial property "Decision Ready". This is a tedious process. Business Oregon has assigned a RARE student to assist me in gathering all the necessary information.
2. Still working on resolving the slivers issue (created when IP donated the property to the City). IP is slow to react. We do not need the issue resolved for partition the Bike Pit, but we do for the Decision Ready program.
3. I have contacted Steve Haddock to draw up the final plat for the partition of the Bike Pit. Once I have it I will present it along with the Planning Commissions "Findings of Facts", for Councils final approval.
4. The Planning Commission held a public hearing on December 8, 2014, to consider Jim Byrnes request to annex and possibly re-zone his property on NW Elder and NW Delwood which is currently zoned R-2 in the county. He is wanting to move his RV Storage lot to that location which would allow him to expand his storage units on NE 4th. There is no opposition to his moving the storage to the NW Elder location, but there is concern about rezoning it to C-1 or M-1. I am in contact with the State and Umatilla County and trying to work out the best way to resolve the issue.
5. Working with Springbrook, preparing for the new upgrade in January.
6. Have contacted CIS as directed by Council will discuss answer in executive session.
7. Still working on the RV Park ordinance. Trying to make it more concise and user friendly.
8. Have received the elections abstract from the county. Have sent the acceptance letter and election certificates have been issued to each elected official.
9. Attended the "All-County Planner Meeting" on December 1, 2014. We discussed UGB, Joint Management Agreements, reporting development, marijuana regulation etc.
10. Working on the Water Ordinance amendment to ensure that it complies with all state rules.
11. Have attended a meeting for the proposed consortium for the CDBG grant.

Police

1. Continuing to receive and review applications.
2. Lexipol manual will be updated by mid-January
3. Addressing some minor violations with ordinances due to weather conditions
4. There was a criminal mischief report of juveniles tearing up Christmas decorations at around 2 am one morning. The information was relayed by a citizen in the area, which the police department appreciates the eyes and ears of the community to help with holding persons of interest responsible. I was able to solve the issue and confront juveniles the following morning, who all admitted to the destruction. The juveniles went to the houses and apologized to the owners. This is a great way for the juveniles to start taking ownership in the community. I also thanked the parent for getting involved and insuring this was dealt with in a responsible way.

Chief Richman added to his report:

5. Officer Stallings and he is willing to come back a couple days a week to cover patrol starting late next week. Greg would work M-W and Glen working W-S. Greg would be willing to take some on call but we need to consider that if he is called out from his home in Milton-Freewater we would have to pay him from the time he leaves his house.
6. Chief asked Council if they would like him to move forward with recruiting an officer to fill the open patrolman position. **On a motion by Councilor Deno and seconded by Councilor Moss, Council directed Chief to move forward with recruiting a patrolman. All present voted yes.**

Public Works

1. Graveling and clearing roads for ice and snow conditions.
2. The Drinking Water Department of Oregon State conducted its inspection, done every 5 years. We passed with flying colors. No violations.
3. Have contacted a mason out of Pendleton for a bid to repair the Welcome to Pilot Rock sign. I am waiting to

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hear back from him.

H. CONSENT CALENDAR

On a motion by Councilor Corwin and seconded by Councilor Deno, Council agreed to accept the consent calendar. All present voted yes.

I COUNCIL COMMENTS

Councilor Moss read a letter of resignation from Councilor Baleztena. **On a motion by Councilor Doherty and seconded by Councilor Moss, Council agreed to accept Michael Baleztena's resignation. All present voted yes.**

On a motion by Councilor Moss and seconded by Councilor Doherty, Council directed Teri to post the open Council position. All present voted yes.

Councilor Deno, expressed his sorrow at seeing the Chief leave and he knows there are many in this town that feel the same.

Councilor Corwin stated that he is aware that his attendance is not good due to his obligations to his job and if Council would like him to resign as well they just need to say so. Council did not encourage his resignation but stressed that communication is the most important part. Call in and let us know if you can't make.

J. EXECUTIVE SESSION:

Council went into executive session under ORS 192.660(2)(f) Exempt Public Records and ORS 192.660(2)(a) at 7:55. Council members present were Moss, Deno, Doherty, Corwin and Mayor Carnes. Staff present were Draper and Porter. Phil Wright of the EO was also present.

Council returned to regular session at 8:35.

On a motion by Councilor Doherty and seconded by Councilor Deno Council directed staff to prepare contracts for Darren Richman and Gary David. All present voted yes.

On a motion by Councilor Moss and seconded by Councilor Doherty, Council agreed to allow Mayor Carnes to sign the Sunthrust confidentiality agreement. All present voted yes.

On a motion by Councilor Deno and seconded by Councilor Moss, Council agreed to meet Friday in executive session. All present voted yes.

Council agreed to wait until we meet with Gary David to post the open Chief position in the EO.

K. ADJOURNMENT

Council agreed to adjourn at 8:13pm. All present voted yes.

APPROVED _____

ATTEST _____

City of Pilot Rock, Oregon

STAFF REPORT

Date: December 30, 2014 **For Council Meeting of:** January 6, 2015

Agenda Item No: E-5

To: **Hon. Mayor and City Council**

From: **Steve Draper - Public Works Director**

Issue: **Proposal to Purchase Cell Tower Franchises**

SYNOPSIS: Unison has sent a proposal to purchase all Pilot Rock cell tower franchises for the next 50 years for the sum of \$750,000. Plus they want an additional 250 square feet at no cost to them.

Currently we have two (2) cell tower franchises:

US Cell -

- 30 year lease beginning in January of 2003, 18 years left.
- Monthly fee - \$1097.87
- Base rent increases every 5 years.
- 20% of revenue received from any other antenna attachments.
- Over the course of the remaining 18 years the City will receive \$235,843.92. Base rent plus increase every 5 years.

American Tower -

- 25 year lease beginning in May of 2012, 22 years left.
- Monthly fee - \$3,389.84 (this tower has an additional antenna that generates additional revenue)
- Base rent increases by 7.5% every 5 years.
- 50% of revenue received from any other antenna attachments.
- Over the course of the remaining 22 years the City will receive \$894,917.76. Base rent plus increase every 5 years.

The two towers stand to generate a steady revenue stream for the City of \$1,130,761.68, over the course of the next 22 years. This does not include the rent increases every 5 years and any additional revenue received by added attachments in the future.

This issue comes before Council for action at this time.

OPTIONS: The following options are available for City Council.

1. Turn down the Unison proposal.
2. Direct Steve to negotiate for more money.
3. Accept the proposal as written.

STAFF RECOMMENDATION: Council by motion turn down the Unison proposal of \$750,000.

RATIONALE: The existing terms of the two cell towers generate a sustainable revenue stream for

the City of Pilot Rock.

BUDGET IMPLICATIONS: The city stands to lose well in excess of \$381,000, if they accept this offer. Base rent. plus increases every 5 years, plus any additional attachments revenue.

BACKGROUND INFORMATION: None.

ATTACHMENTS: Letter from Unison.

Unison Site Management Proposal

Site #: 471159

Site Address: 42910 Stock Drive Rd., Pilot Rock, Oregon 97868

Purchaser: Unison Site Management ("Unison")

Seller ("Site Owner"): City of Pilot Rock

Tenant/Carrier(s): US Cellular and American Tower with AT&T and Verizon as tenants

Current Rent: \$4,481.71

Purchased Rent: \$4,481.71

Escalator: 15% annual

Term of Easement Purchased: 50 years

Easement Area: Ground space around the tower described by existing wireless service provider leases including equipment footprints and access and utility easements.

Other Transactional Terms: Easement area will include an additional 250 square feet adjacent to the existing ground space ("Additional Space"). Unison will receive the currently scheduled rent stream (including escalators) for the term of the easement, and agrees that for all rent over and above this amount received from new tenants located within the Additional Space, Site Owner will collect 50% and Unison will collect 50%.

As far as promoting your site, Unison has created a turnkey program for wireless companies to add new locations. We understand the marketplace; we know where they need coverage and what they are willing to pay. This reduces the time and cost it takes them to improve their coverage area. We will seek to negotiate these deals for you, allowing you to focus on your core business. We believe in the principle of sharing upside, if we win you should also win as the site owner.

***Purchase Price: \$750,000**

The purchase price shall be the gross purchase price from which will be netted:

- *Pro-rated rent for the remainder of the month of closing plus the next two months (Site Owner shall be entitled to cash and retain the rent check(s) for the pro-rated periods);*
- *Title company escrow, search and premium fees for the Owner's form policy to be provided to Unison;*
- and*
- *Transfer taxes (if any).*

***Offer Expiration Date:** December 31, 2014