

CITY OF PILOT ROCK

COUNCIL MEETING

April 2, 2013

7:00 PM

A. Call to Order

The regular meeting was called to order by Mayor Virginia Carnes at 7:00 pm. Council members present were Kacie Moss, Misty Rowe, Michael Baleztena and Jim Hinkle. Also present were City Recorder Teri Porter, Public Works Supervisor Steve Draper and Police Chief Darren Richman. Citizens present were John Taylor, Mary Lue Slabik, Cecil Tresham, Nancy Lankford, Amanda Drake, Lucy Winnett and Tammy Austin.

B. INVOCATION

Jim Hinkle gave the invocation.

C. PLEDGE OF ALLEGIANCE

D. APPEARANCE OF INTERESTING CITIZENS

John Taylor addressed Council with the following concerns.

1. What is the status of the City property that is leased to the coffee shop? Mayor Carnes stated that it is for sale. Teri Porter reported that the lease payments are current.
2. Which department head is responsible for contracts? Teri Porter referred to her department head report and stated that the job description of the Public Works Supervisor reads that the Public Works Director takes the lead role in leases and that there is nothing in the City Recorder job description referring to contracts. Councilor Baleztena stated that the Lawyers will take the initial role in contracts. Teri clarified that the concern is, who is following up on the terms of the contracts after they are settled to ensure that they are being followed as written. Mary Lue stated that the A&V contract has specific criteria, who follows that they do what they are suppose to do, who has that responsibility? **On a motion from Councilor Baleztena and seconded by Councilor Hinkle, Council directed staff to amend the job descriptions of the Public Works Director and the City Recorder to recognize the dual roles in the follow up of contracts and leases. All present voted yes.**
3. Asked Teri Porter, the budget officer, to provide the breakdown of employee salary, pers, medical insurance. It was explained that it will be made available at budget time.
4. Mr. Taylor asked that the topic of employees excess vacation that was discussed and a motion passed on October 16, 2012, be put back on the agenda for further discussion. Mr. Taylor feels that the motion was not clear about the vacation time that is still accumulating. It was explained that this issue has been discussed at length. There was discussion regarding the handbook procedure, which states that vacation time will stop accruing when the 160 hours has been reached. Councilor Hinkle explained that the Council approved a June 30th deadline to get under 160 hours was to give them time to burn up those hours and nothing was said about stopping the accumulation of those hours. Mr. Taylor still felt that there was more discussion needed and suggested that it be put back on the agenda.

CITY OF PILOT ROCK

E. PRESENTATIONS

F. ACTION ITEMS

On a motion by Councilor Baleztena and seconded by Councilor Moss, Council agreed to add F-8 the Appointment of a City Councilor. All present voted yes.

F-1 Community Clean UP

Mayor Carnes requested that the City sponsor Clean up Day on Saturday the 4th of May. Cecil Tresham asked about the alley way by her house and getting it cleaned up. Mayor Carnes suggested that Cecile call it in and get it on the list. **On a motion by Councilor Moss and seconded by Councilor Rowe . Council agreed to sponsor the annual clean up day not to exceed \$1,000 All present voted yes.**

F-2 Request for Vacation

Steve Draper requested permission to take 40 hours vacation from April 8 through April 12. **On a motion by Councilor Baleztena and seconded by Councilor Hinkle. Council approved Steve's 40 vacation hours. All present voted yes.**

F-3 Authorizing and expenditure for Street Sweeping and Asphalt Paving

Steve Draper stated that there are two issues. #1 We do our annual street sweeping and never spend over \$2500 to do street sweeping around town. Mary Lue asked if that's what was happening today. Steve explained that what she saw was ODOT and has nothing to do with our City streets. Councilor Rowe asked if we necessarily need to do the street sweeping, that maybe that money could be spent filling pot holes etc. Steve explained that we have money in the budget for filling pot holes. Steve feels it really spruces up the town and we won't spend the whole \$2500 this year, but requested the \$2500 incase we breakdown. Councilor Baleztena, stated that our roads are not holding up the best and this is beneficial and helps to clean them all up. **On a motion by Councilor Moss and seconded by Councilor Baleztena, Council approved the street sweeping not to exceed \$2500. All present voted yes.** Steve also requested approval of a \$15,000 expenditure to lay asphalt on 3rd St. and Delwood. He would like to do it this year and it would come out of this years budget. Cecil Tresham asked if there was a schedule of when streets are done. Steve said there is a schedule. Councilor Rowe asked when Douglas would be done. Steve said about 3 years that Delwood is in worse condition. Councilor Baleztena felt that Steve doing it himself and getting it done for \$15,000 is a good price. **On a motion by Councilor Baleztena and seconded by Councilor Hinkle, Council approved spending the \$15,000 to pave the streets. All present voted yes.**

F-4 Changes to the Budget Calendar

Teri Porter informed Council that she has changed the dates for the Budget Committee meetings. They are now May 8th and 29th.

F-5 Approval to apply for Grants.

CITY OF PILOT ROCK

Teri Porter requested permission to apply for the PP&L and Wildhorse grants to help fund the swim program. **On a motion by Councilor Hinkle and seconded by Councilor Moss, Council approved applying for the grants for the swim program. All present voted yes.**

F-6 Budget Issues

Councilor Rowe felt with budget time approaching that several items need to be discussed to clear up any misunderstandings.

- 1. Employees Medical Insurance.** She stated that 2 years ago when she was on the budget committee the department heads went back and saved the City some money by paying for part of their insurance. Now she realized there was a misunderstanding because later she was reading through the handbook and read that all employees hired after 2011 will pay a portion of their insurance. That was never explained and she felt betrayed because it was never explained that way. Councilor Rowe feels that if something is cut it should be cut across the board. Councilor Baleztena stated that it was also his understanding that the cut was across the board. Steve explained that the decision was, all new hires from that point on were to pay 5%. The older employees were hired on with the understanding that all insurance is paid. Steve stated that they have changed their deductible twice to reduce the cost. Councilor Rowe stated that she thought that is why they added a medical expense account to offset the higher deductible. There was additional discussion regarding the existing insurance medical plan. Mr. Taylor stated that you may be hired under one set of rules but as the cost to the City increases, then it should be adjusted. Mr. Taylor asked Teri about the increase in PERS this year. Teri stated that the increase would be about 5%. Mr. Taylor said that he heard that the PERS increase will cost the City of Pendleton \$480,000 more this year. Chief stated that the City of Pendleton pays 100% of the employees PERS, which Pilot Rock employee pay our PERS. He also stated that we have looked into it and there is no way to get out of PERS. If we pulled out right now the employees enrolled would lose everything that the City put into it, so it's a big penalty. Councilor Moss stated that these were decisions that were made from 2009 forward, and asked Councilor Rowe if she is asking to have these items put back on the agenda and take another look at them? Councilor Rowe stated that her biggest issue is communication. That these things are not being explained fully and it is upsetting to the citizens and herself as a budget committee member. Mary Lue stated that in the past we talked about putting a cap on medical insurance and wanted to know if that was still in the works. Councilor Moss stated it has been talked about over and over and no cap has been put in place. Steve stated that that is the reason we went with the 5% for new employees. Regarding the cap Councilor Moss stated that this is a bush we keep running around. Teri Porter asked how do we put this to rest? Do we want a cap or not and if so how high or low of a cap? No response.
- 2. Phone at the City Shop and Cabin.** Councilor Rowe stated that at last years budget meeting she asked why we need the phone at the City Shop, since they carry cell phones, and was told that it has been that way for 40 years and would look into it. Steve explained that that phone is used all the time. It is a very established number. State and Federal agencies, vendors all call Steve on that line. Councilor Rowe stated then that is what should have been explained at budget instead of just I will look into it.

CITY OF PILOT ROCK

She would like full answers. Mr. Taylor suggested that they change Steve's cell number to the same as the shop so that he will get all those calls. Steve stated that the shop has an answering machine. Next Councilor Rowe stated that the phone the City pays for at Steve's cabin is ethically wrong and it is not fair to Steve, because he should be able to go up there and just relax. Steve stated that it cost nothing to install, but cost about \$29.00 a month. It was discussed that in the past before the phone was installed, when there was an emergency they had to go up to Steve's cabin in Alby to get him. At that time Council felt it was important and worthwhile to install a phone in his cabin. There was discussion that Tim should be crossed trained and on call when Steve is out of town. Councilor Baleztena stated that \$29 a month is a cheap insurance policy to be able to reach someone in an emergency. Citizen Tammy Austin understands the need for the phone the biggest issue is how it is perceived by the public. It looks improper for the City to be paying for a phone at his cabin. Tammy suggests giving him a raise of \$30 a month to pay for the phone. Chief Richman suggested that the phone be explained in a narrative in the budget, that it is for emergencies only. Mary Lue asked how many cell phones does the City have. Steve, Tim and all 3 officers each have a phone. Chief Richman stated that a year ago they joined the plans together to save money.

3. Internet cost reduction. Councilor Rowe suggested that we take a look at other options for internet to see if we can save money.

Steve stated that we have been very frugal with spending the City's money for a long time, it may not seem that way, but we try very hard to stay at or under a reasonable cost. Councilor Rowe agreed that staff have worked hard to keep costs down, but the biggest issue is the incomplete answers that are skirted around and are very frustrating. Councilor Moss stated that if Council or citizen or Budget committee member asks a question that they are not satisfied with the answer they should keep asking until they are satisfied with the response. That's the only way there is follow up and accountability.

4. The Down payment from the A&V land sale. Councilor Rowe stated it was her understanding that it was agreed that the entire down payment was to go to the water project loan. Councilor Baleztena said it was his understanding that we were waiting until such time that there was no penalty for paying it off. Steve stated that when we get to the budget you will see that we applied a portion of it to that loan. Steve stated that we are trying to build up our bank account and pay down the loan at the same time. We took \$50,000 of the down payment money and applied it to the loan which saved us \$2,500 in interest, but it will allow us to build up our savings account which is near nothing, so that if something happens down the road we have money to fall back on. If you want to change it you can change it at budget time. Councilor Rowe re stated that she was understanding that all of that money was to go to the loan and not for a reserve fund. Steve stated that it was never voted that all that money was to be used that way. John Taylor stated that if the City paid the \$110,000 on the loan it would save the City \$60,000. Steve and Teri explained that that \$60,000 is an accumulated savings over the full term of the contract (20 yrs). We plan to pay it off in 3 or 4 years. Putting the \$110,000 on the loan would save the City \$5,000 in interest per year. Councilor Baleztena added that he was also of the understanding that the full \$110,000 was to go to the loan but we were waiting for such

CITY OF PILOT ROCK

time that the penalty was not as great. Nancy Lankford stated that she felt we would be paying more on the loan in interest than what we would be receiving in that extra money that we would put in a reserve account. Nancy then asked how readily available is cash to the City if you had to borrow some if you had nothing in reserve. Do you have an established credit line? She feels it is too easy to dip into a reserve account, and that the more you can pay on that loan the better. John Taylor asked is it better to put money away and draw no interest or borrow money if you should happen to need it. We are putting money away with the understanding that we are going to have a crisis, we may not have a crisis. Steve Draper asked if he has a savings account and do you not think the City should have the same thing? Mr. Taylor answered No absolutely not, the City should have a line of credit that if we had a catastrophe we could get the money from the line of credit. Mary Lue pointed out that this money is costing us money. Questions went back and forth about interest cost etc. Teri stated that she appreciates Councilor Rowe for bringing these issues to the fore front as things that need to be addressed in the budget. Teri stated that she is working very hard to present a budget that is very easy to understand and follow and things will be very transparent, but she did not come to *this* meeting prepared to talk about specific numbers and percentages that are to be discussed at the budget meetings. Mary Lue stated that she feels that the entire \$110,000 should go on the loan because we are paying 5% interest and earning less while keeping the money in the Local Government Pool account.

F-7 Department Head Evaluations

There was discussion on the format and process. Council decided to schedule a work session for Tuesday April 16, 2013, at 6pm.

F-8 Appointment of a City Councilor

Council reviewed the application of Josie Forster. Councilor Rowe read an e-mail from Josie, stating that she is sick with pneumonia. There was discussion that she has a massage therapy business in her home and has been involved in the community. On a motion by Councilor Baleztena and seconded by Councilor Rowe, Council agreed to appoint Josie Forster as a new Council member. All present voted yes.

INFORMATION ITEMS, REPORTS AND PRESENTATIONS

G-1 Department Head Report

CITY HALL:

1. We have received final inspection on the Council Chamber remodel.
2. Working on the budget and presenting it in a format that is easier to understand.
3. Statement of Economic Interests reports are due to the state. The Councilor hand book has a section that explains the SEI.
4. A citizen is inquiring who is to follow up on contracts and leases. The Public Works Supervisor Job Description *states The Supervisor takes the lead in enforcing the lease agreements the City may have in place.*
5. A Public notice was place in the windows of the Chamber of Commerce and City Hall as well as on the bulletin board at the Post Office requesting applicant for the open Council position. To date no one has applied for the position.

CITY OF PILOT ROCK

Teri Porter added that Mr. Taylor has raises a concern regarding the A&V contract. It states that they must get prior approval from council before they can lease out any portion of the property. Mr. Taylor feels that because the bark plant and T Mobile is leasing from A&V they should have approval from Council. Teri had explained to Mr. Taylor that those leases were already in play at the time of the contract. Steve Draper clarified that those leases were assumed at the time of the sale. Mr. Taylor stated that we have requirements to handle that property in the right manner, if we sell it then the responsibility is passed down. If we don't have a copy of their agreement between A&V and T mobile then we have no knowledge of how they are conducting business. It was an excellent phrase in the contract that gives us complete control of how the property is used. We should pursue that and follow the contract just how it is written. If is says we have to have a letter before they can convey anything then we should have a letter. Steve stated that Anthony will come before council and ask permission from council and will have the lease agreement between T-Mobile and the Bark plant. At that time Council can ask for a copy of the agreements. Steve stated that he thought Anthony was going to be here tonight, but will ask him to be here in the next 30 days.

POLICE:

1. The police department has sent out several letters regarding ordinances and the public has been working on the issues. It is great to see the cooperation.
2. I have been informed that I have to start paying for dispatching for the police at an estimated cost of \$7,200 per year, which I understand will increase each year to reach an undetermined amount. I have sent an e-mail to Sheriff Rowan asking for a contract before we are committed, which I can bring to Council and our attorney for review and approval. I have not received any correspondence as of March 27th.
3. We have had an increase in calls for service, which is typical for spring time. Last year we had 413 calls by March 26, 2012 and this year we are at 633 for March 26, 2013, which is a 65.24% increase in calls or 220 more calls in the same amount of time.
4. The police department has been called out several times to assist County with fights and suicide threats. We will continue to assist County or State as cover officers, as they continue to help us when it is needed.
5. I request to participate in the National Takeback Initiative this year. I requesting permission from the council to allow the use of the Council Chambers to be the drop off point for old prescriptions or unused medication. It will be held on **April 27th from 10 am to 2 pm. No syringes or intra-venous solutions will be accepted.** Once completed DEA will send the shipping information and labels at no cost to the City. I will be the one at the drop off point to avoid any overtime issues. **On a motion by Councilor Rowe and seconded by Councilor Baleztena, Council approved the use of the Council Chambers for the Takeback program. All present voted yes.**
6. Two new desks and chairs have been purchased which were paid for by the CIS Workers Comp. Incentive program. *A laptop and shredder has also been purchases on this program. We are paying for it initially out of the Police department budget, then they will send us a check for the whole thing and it will be put back into the Police department budget. Once Michael is released to full duty, Teri will submit the hours he worked on light duty and CIS will reimburse us 50% of those wages.*

Chief Richman added to the above report stating the RIMS computer system that will be attached to all cities will cost the City of Pilot Rock a total of about \$16,000, with about \$2,000 a year maintenance which will be a big jump in his budget which you will see during the budget process.

Mr. Taylor asked Chief Richman what Rims. Chief explained that it is a new dispatch computer aided system. We won't use the mobile data terminals in cars because we don't have it. But all Cities will be able to share information on cases and suspects. If we had MDT's in the cars they would be able to track where the car is at all times.

PUBLIC WORKS:

CITY OF PILOT ROCK

1. A&V request to lease bark plant and T-Mobile. *Steve spoke with Anthony who plans to come before council for lease approval.*
2. Update on Fire insurance claim. *Steve added that the insurance company has finally decided to pay, but will need to update the quotes from 9 months ago. Once we receive the check we can start doing the repairs.*
3. Adam will is back to work as of April 1st.

Steve added to his report stating that Packy Dogherty has purchased a piece of property from Jlm Hatley where they are running the scrap iron business. It is Steve's understanding that Packy is going to come to Council requesting to annex that property into the City limits to have water and sewer. When that happens we need to look at spending some money to run the water main from Byrnes Oil down 700 feet to get to that point. When we do that extension we need to put the same size main in that we want to hook up to the 3rd well. It will be an expense. Mr. Taylor was of the understanding that it is the developers responsibility to pay for improvements. Steve stated that is true on new development. Steve also stated that hooking up the #3 well is part of the City's master plan. Steve stated that it is his opinion that since the City has obligated itself to connect #3 well to the City system he does not feel it is fair to ask someone needing water along that way to pay the cost. There is a hook up fee. If it's new development where we have to extend the main out to them then yes the developer would pay the bill. But in this case the City has already committed to connect that #3 well, we are just hurrying up the process. Mr. Taylor asked for motion that Council approved that. Steve said he would dig back and find that. Nancy Lankford asked where would we get the money. Mary Lue said to get it from all the franchise fees. Steve explained that the franchise fees are committed and needed for the general fund. Councilor Rowe asked what would be the benefit to the City to annex the property and run that line? Steve explained that we are going to hook on to that 3rd well sooner or later, the benefit of them coming in would be additional City taxes they would pay, water and sewer rates, Packy building a new shop which would increase the property value and tax and the employment of more people. It'ss a small industry that would grow a little bit by doing this. Nancy Lankford asked for a ball park estimate. Steve said about \$70,000.

G. CONSENT CALENDAR

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

H. CITY COUNCIL COMMENTS

None

I. EXECUTIVE SESSION

None

J. ADJOURNMENT

On a motion by Councilor Baleztena and seconded by Councilor Moss, Council agreed to adjourn at 8:44pm. All present voted yes.

APPROVED _____

ATTEST _____

CITY OF PILOT ROCK
