

CITY OF PILOT ROCK

COUNCIL MEETING

August 16, 2011

7:00 PM

A. ROLL

The regular meeting was called to order by Mayor Virginia Carnes at 7:00 PM. Council members present were Kacie Moss, Mike Baleztena, George Hall and Shawna Kirk. Also present were City Recorder Teri Porter, and Public Works Supervisor Steve Draper, Police Chief Darren Richman, Steve Haddock, Mary Lue Slabik, William Weinke, Ryan Cecil, Cheryl Lopez and Angel Williams.

B. INVOCATION

Mayor Carnes read the invocation.

C. PLEDGE OF ALLEGIANCE

D. APPEARANCE OF INTERESTED CITIZENS

None.

E. PRESENTATIONS

None.

F-1 Public Hearing: City Property Land Partitioning

Mayor Carnes read through the rules for conducting a public hearing (attached). Teri Porter reading from the staff report, stated the City is looking to partition parcels of land from the existing Masonite property which is owned by the City. The partitioning will reserve parcels for City use and be separate from any sale of the Masonite property. A Public Hearing Notice was posted in the East Oregonian and letters and maps were sent out to neighboring properties more than 10 days ago. Teri Porter referred to the attached map to identify the 3 parcels. The City would retain the northern most parcel, where the burn pile is located as well as the southern most parcel which is partially leased by the bark plant. Mayor Carnes addressed Mr. Weinke asking if he had any questions or concerns for Council. Mr. Weinke asked if a permit was necessary to cross the rail road tracks. Steve Draper explained that no permit is needed. Mr. Weinke stated that the land partitioning would have no affect on him or his property and was not opposed to it. Steve Haddock, professional land surveyor 48020 Stewart Creek Rd. Pilot Rock, Oregon, addressed Council stating that he had prepared the tentative plan that Council had before them. At the time that he sat down with Steve and Teri to begin to work on this plan he did not yet have the title report and so there are a couple

of items that are missing from the map. Steve Haddock stated that he did not feel they would have an effect on being able to partition the property but they should be considered and they will be put on the final plat before it is presented to the City for approval. Referring to the map (attached to council packet) looking at the northern area of parcel 2. Mr. Haddock said that Masonite used to pump all of their waste water over to the pond where the bike pit is. There is a 15" steel line that carried that water to the area on the northern area of the map (parcel 2). Steve Haddock stated that he spoke with Jim Hatley and Jim said that some years ago he was asked to come in and disable that pipe because at one point in time it was leaking. Jim Hatley said that it was not usable, that they disconnected it and ran new pipe, Steve Haddock pointed to a line on the map and indicated that it ran along the easterly side of the property. Mr. Haddock stated that if in fact that line is no longer usable and the City does not want to have that part of the property burdened by that easement the City may want to go through the legal process to abandon that easement. The title records also show that there is a fire hydrant that runs off of the system from the mill site. It comes off of the system on the east side and it provides water to at least one fire hydrants and Jim Hatley told Steve Haddock that he thought that system went farther up the line. Robby Petersen did the work when the system was installed. It crosses an area of the track that would encumber parcel #3 that the City plans to retain. The water system will lie on both parcels 2 and 3. There may be a need to pot hole the ground to find exactly where it is. It crosses City property so an easement will be needed or redo the fire system somehow so that it is not on the City property. Councilor Hall questioned why we are creating an easement for a water line we are going to abandon. Steve Draper explained that if they want to use that fire system and pressurize that system across the tracks where the bark company is, they will need to use that pipe and we would have to allow them a utility easement in order for them to maintain that line. Councilor Hall asked if it was part of the sale agreement that we provide them with the fire system and is it ours to maintain? It was explained that the pipe originates on the Masonite property, crosses parcel #3 and ends on parcel #2 that would be part of the Masonite property package. It is not ours to maintain. The easement would give them access so that they can maintain it. The easement would belong to whomever owns parcel #2 and the Masonite property. Steve Haddock further explained that the pipe and the use of it belongs to the owners of the Masonite property and parcel #2. In the process of creating the easement we show where it is and how much ground they have a right to be able to operate their pipe. It is their pipe and the easement is for them. If they dig it up they have to restore it and the City can not build over the top of that easement. Councilor Hall stated that water line is servicing someone else not the City. We have no need for it. That water line comes from the east side of the railroad tracks which could potentially be sold to another party. If the pipe has no use to the City we should have no responsibility for it. Steve Haddock stated that there are 2 utilities that cross the City property that are physically already there the gas company and the water line. You either have to grant an easement for continued use or you have to physically tear it out and say we are not going to allow you to cross here. Councilor Hall asked if we have agreed to provide that service. Steve Haddock replied that the City would not

be providing the service, the gas company would be providing the gas service and the owner of the Masonite property would be providing the water service. There is question as to what was implied to the potential buyers of the Masonite property and Councilor Hall stated that perhaps this is a matter that should be discussed in executive session. Steve Haddock stated that his intent was to report the fact that the gas and water line were actually there and need to be considered. Steve Haddock referred to the map to show the facility for Cascade Gas. There is an easement that runs down the east side of the county road. The City needs to be aware that the gas line is there, it crosses parcel #3 and provides service to the Masonite property. Before Mr. Haddock could complete the plat map he will need to know what Council's decision is. Councilor Baleztena asked if we are just voting on partitioning ground. Steve Haddock explained that the law states that you have to present a plan that considers all legal rights that someone may have. The plat that will be recorded, represents the legal rights that exist. Council needs to address what will the legal rights be? Councilor Hall suggested that staff needs to come back to Council and tell us whether we want to continue to maintain those services. That includes the water that comes from the well, how it is conveyed and the distribution system. On a motion from Councilor Hall and seconded by Councilor Kirk, Council directed Staff to put together a staff report addressing all concerns and a recommendation for Council. All present voted yes. Mayor Carnes closed the Public Hearing regarding the land partitioning.

F-2 Public Hearing: Ryan Cecil Variance

Mayor Carnes opened the Public Hearing regarding a request by Ryan Cecil for a Variance. Teri Porter stated that Mr. Cecil is requesting Council's approval to build a steel storage building on the property at 621 SW 6th. He is asking for a variance as his side yard set back would only be 7' and not the 10' as outlined in our ordinance. Recently we discovered that Mr. Cecil is not the owner on record. The property is owned by his mother and his uncle. There is a Quit Claim deed on its way. Teri Porter suggested that we could hear discussion since there are interested parties present, or we can table it until Mr. Cecil can present a legal document showing the deed naming him as the owner of the property. Councilor Baleztena suggested that we could approve or deny pending Mr. Cecil presenting the document. Councilor Hall stated that we can listen to discussion but another public hearing would be necessary, and other interested parties could be present and would also need to be heard. Council agreed to hear discussion on the matter but that any decisions would have to be tabled until a later date when Mr. Cecil could prove that he is the property owner. Councilor Hall asked if there are any property owners here with a concern. Cheryl Lopez 630 SW 6th St addressed Council stating that she does not have a problem with Ryan putting in a shed, but Ryan has told her that he is going to put a hoist in it and work on cars. He does a lot of that at Melvin's shop. She stated that she does not want a lot of cars driving in and out of there or parked around the property where he works on cars or chassis. She is concerned it would look like Melvin's shop out front. Mr. Cecil stated that of all the cars that are parked at Melvin's shop only one frame belongs to him. Mr. Cecil feels that that is not his property and he should not be held accountable for

Melvin's place. Ryan stated that he does not want his own property to look like that. Ms. Lopez stated that he often has cars parked down there, in-front of her property, in front of Michael's property etc. Ryan stated they are not his cars he only has one pick up down there right now. Councilor Hall asked for clarification as to whether this was to be a shed for storage or a shop with a hoist for working on cars. Mr. Cecil said it would be used for dual purposes, for both storage and a shop. Councilor Hall stated it makes a big difference if it is to be used for a shop. Councilor Baleztena stated that the house next to him has the exact same shop, same size, same variance, so if we are saying NO to Mr. Cecil then we are treating him differently. If his intent is to turn it into a business then he would have to apply for a business license. Councilor Hall stated that it doesn't make a difference what is going on next door, you trigger another analysis of the property when someone applies for a change, that's the way it works. Councilor Baleztena stated that we are guessing that he is going to put in a shop or a business. Ryan said that he is putting a hoist in it and only because his dad has one that he is not using. Councilor Hall stated that if you are working on other peoples vehicles and doing some business then you are doing something other than just building a storage or shop for your own personal use. Councilor Hall asked Mr. Cecil if he is making a statement that he is not going to run a business out of this shop. Mr. Cecil stated that he does not want to be nailed down to a statement that he would never work on anyone else's car. If he wants to change the oil or put breaks on someone's car, he wants to be able to do it. Little jobs, Mr. Cecil stated that he is not going to put 30 cars out in front of his house, that is not my plan. Councilor Hall stated that this is a planning commission conversation, if you do anything to disturb your neighbors... Councilor Baleztena stated that if he wants to put a shop in that's fine, in a year from now if he has 18 cars out front, then that's when it becomes an issue. You can't penalize him now for something he hasn't done. Councilor Hall agreed but said that what can't happen now or in the future needs to be well understood and that it is part of the record and part of the conditions to put in that shop. Councilor Hall stated that we need to start this process all over again, we need to take a look at that property what the neighboring property is and whether we can allow that kind type of activity on this residential property. Councilor Hall stated it is probably zoned tight so we can't allow any commercial activity. Councilor Baleztena stated that there is a business right across the street and Rusty has a business license to run an Archery Shop right there, Mr. Cecil's mother has a business, there is a beauty shop there. Councilor Hall understands that that happens all over, but what he wants understood is that no one has any preconceived notions to what we can do just because we get to this point. Councilor Baleztena stated that the issue is about the variance. Councilor Hall agreed that all that is being asked is that Mr. Cecil be allowed to build a shop that is set back only 7 feet but want Ms. Lopez's concerns to be taken to heart. Mr. Cecil agreed. Ms. Lopez stated again that she does not have a problem with him building a shop, but she would like something put in writing that it would not be run like a business. Councilor Baleztena stated there is no need to put something in writing because there are ordinances already in place, if he violates the ordinances then the Chief will talk to Mr. Cecil and tell him he can't do that. Councilor Hall stated that those

ordinances need to be discussed at this stage of planning and that those ordinances be included in the staff report so that it is all very clear to everybody what the agreement was with the City to allow Mr. Cecil to build that shop. Teri Porter stated that when and if the permit is approved that she would reference those ordinances on the permit. Councilor Baleztena agreed that that would be a good way to handle it, this way it is in writing that the ordinances were discussed. Ms. Lopez asked if Mr. Cecil was going to dig out part of the back of the house. Mr. Cecil said if he did he would measure it but it would not be much, 6" or so. Councilor Hall stated other issues such as firewalls will have to be taken up with the county or state building inspector. Mr. Cecil asked if he had to reschedule another hearing when he gets his documents? Council stated that yes he would. Teri Porter advised Mr. Cecil to bring her the document as soon as he gets it, because she needs 10 days prior to the hearing. Mayor Carnes closed the hearing until such time as Mr. Cecil has the necessary documents to proceed.

F-3 City Employee Step Increase

Teri Porter read from the Staff report, but stated that she, Chief Richman and Steve Draper have conferred and agree. Angel Williams was made full time on March 8, 2011 and her salary was set at \$2000 a month with a 6 month probation period that could be extended to 1 year if necessary. Angel's ability to learn quickly and take on more responsibility has been key to making a smooth transition during the drastic change in the City Hall staff. On September 8, 2011 Angel is up for a 6 month review and step increase. Angel will receive an evaluation on or before September 8, 2011. Councilor Kirk stated that she wanted a wage scale developed for every position so that there is a guide when giving out raises. Councilor Kirk made a motion to direct staff to develop a wage scale and present to Council at the first Council meeting in October. Teri Porter asked if we could settle this wage question first. Councilor Kirk agreed that this is separate and already in motion. Councilor Kirk feels that there should be a procedure that is in place, that is a guide line and felt this was a good time to address the issue. Chief Richman stated that the step increase is already in the new employee manual, that you get yearly evaluations and incremental pay increase. On a motion by Councilor Baleztena and seconded by Councilor Moss Council approved the increase for Angel Williams, all present voted yes. On Councilor Kirk's direction Teri Porter gave each council member a handout that showed the research done in considering the increase. Councilor Kirk felt this might aid the Council if and when concerned citizens may ask.

F-4 City Auditor Selection

Teri Porter reported that during the month of June, Staff was informed that our current auditors would no longer be doing municipal audits. A notice was placed in the East Oregonian requesting bids and several letters were sent out to local auditors inviting them to submit a bid as well. The City has received 2 bids. Both proposals are from qualified independent licensed municipal auditors who have sufficient governmental and audit experience in accordance with the specification outlined in the request form. Barnett and Moro, PC out of Hermiston has submitted a bid for \$9,900. Read and Bose,

PC out of Pendleton has submitted a bid for \$7,000 for the audit service. Mr. Bose has spoken with Jenson and Spratling, our current auditors, and asked if they would be willing to put together the financial reports for him to audit. Jenson and Spratling agreed at a cost of \$1,700. The cost of hiring both Read and Bose and Jenson and Spratling would total \$8,700. Staff has recommended hiring Read and Bose and Jenson and Spratling. Staff feels that Harry Bose comes highly recommended and the benefit of a continued relationship with Jenson and Spratling as well as having 2 auditors looking over our books would be a benefit, not to mention it is the lower bid. On a motion from Councilor Hall and seconded by Councilor Baleztena Council directed staff to accept the combined bid from Read and Bose and Jenson and Spratling not to exceed \$8,700. All present voted yes.

F-5 Jerry Boag Donation of Property to the City

Steve Draper addressed council with a letter from Jerry Boag the owner of the Round Up Room property. Steve stated that chief Richman had been talking to Mr. Boag about donating the property and in his letter Mr. Boag states that he would be willing to donate it for if the City would pay the back taxes and waive the sewer fee. Council Hall asked how much is the back taxes and how much land? Steve said the letter indicates about \$2,400 and there is about half an acre of land. Councilor Hall then asked if there is anything encumbering it, any clean up? Steve Haddock pointed out that in the letter Mr. Boag states that it would cost him to do the clean up, but if he donates it, it would be AS IS, which means the City would do the clean up. Councilor Kirk stated that her opinion is that we are not in the real estate business. Councilor Hall said he was in favor of picking up property here and there depending on how much it would cost us. Steve Draper stated that when they cleaned up the 3 buildings on Main St. it cost the City \$25,000. Councilor Hall stated we don't have \$25,000. Councilor Moss asked Chief Richman for some more back ground on the conversations he had with Mr. Boag. Chief Richman said that Mr. Boag just really wants to get rid of the property, if the City doesn't take it he will sell it as is. The inside is not good you would just need to demolish it. Mr. Boag thought that the City could benefit from it. The Chief is of the understanding that Mr. Boag has already sold the other 2 pieces of property and they are under contract right now. When we received the letter, Chief Richman wanted to get it out to Council right away, so Council would have time to think about it. The cost of demolition etc. Mayor Carnes asked what it was worth? Steve Draper sited that we already have two commercial lots behind this building that we have had for a long time. But it is Hwy 395 commercial property, and he does not know the value of it. Councilor Hall was not comfortable with the clean up and all that could be involved in that. Perhaps if Mr. Boag was willing to do the clean up and then donate it, we might negotiate. Councilor Hall wants to back away from it. Steve Draper did not disagree. On a motion by Councilor Hall and seconded by Councilor Kirk Council decided to decline Mr. Boag's offer of the donation. All present voted yes.

F-6 Cascade Natural Gas Franchise Agreement

Steve Draper addressed Council reminding them that in February of this year Council directed Steve to negotiate a new Cascade Natural Gas franchise agreement with a franchise fee at 5%. Attached to the packet is the new agreement. Steve stated that the only difference is the agreement will renew in 10 years for 5 year increments unless we submit something to them in writing. The agreement also states that at any given time we can increase the franchise fee without negotiating a new document. Councilor Hall asked if franchise fees were at 7% yet? Steve answered that we do not have any fees over 5%. Councilor Hall stated that we can, so why don't we? Steve said it is because Council asked him to negotiate at 5%. Councilor Hall asked Steve to put together a staff report that would show what the dollar amount would be at 8%. Councilor Hall wants to know what kind of income that would create. Councilor Kirk asked "what is it in the Budget?" Steve stated that the budget was created with the 5% fee. Councilor Hall stated that charging the 8% fee could balance the budget. Councilor Hall also stated that he understood the repercussions but that it is a straight up revenue stream. Councilor Hall views this as a stable revenue stream. Steve stated that "stable" is the key word. On a motion from Councilor Kirk and seconded by Councilor Baleztana Council agreed to table the franchise agreement until staff comes back with their report. All present voted yes.

G-1 DEPARTMENT HEAD REPORTS

Chief Richman stated that he had only one thing to add to his report. David Blanc will be sending another letter to Michael Breiling regarding the clean-up of the Callahan property. Hopefully he will start getting something done about it, if not he will be fined.

Teri Porter reported that she had another successful "Month End", she did balance the Treasury Report and reconciled the bank statements. Teri also stated that she is now a certified notary and is continuing her education in the position as well as organizing the office so that she can find things more easily.

H. CONSENT CALENDAR

Councilor Kirk stated that Councilor Hall was appointed to the Safe Routes to School Committee and that need to be added to the minutes. On a motion by Councilor Kirk and seconded by Councilor Baleztana Council agreed to accept the minutes with those changes. All present voted yes.

Mary Lue Slabik also asked for a correction to the August 2nd minutes. On the top of page 5 the minutes state that the Slabiks have been aware of this since 1977... it should be 1997.

Council altered the motion to include that change also. All present agreed.

I. COUNCIL COMMENTS

Mayor Carnes stated that she would have a written report about her recent Mayor's conference. The Mayor said that the hot issue was wind mills especially on the Oregon Coast. She has also brought back information for the Chief regarding Emergency management. She felt it was a very productive meeting.

Councilor Hall stated that Council still has not had an opportunity to sit down together or with staff to discuss how we want the City to be run. We have a term that is hated with in this community call "Management Team". We have talked about all kinds of different alternatives. Under the current scenario and staff, we need to make sure that they feel comfortable with the direction that Council is giving them. We need to make sure that they have authority. Steve Draper made a statement today that the Council is the boss. Councilor Hall stated that Council has always had the final say so, it does not matter what we call these people or what position they are in, or whether we have a City Manager or not. They need to be comfortable with what we expect. Councilor Hall expectations are that they are still going to work together as a team. Councilor Hall expects a staff report, that these three people have looked at the issue and come up with a staff report. Steve is in charge of public works, Teri is in charge of finance and Darren is in charge of public safety. Collectively all responsible to council, so they all still need to function as a team. Steve Draper asked if Councilor Hall wanted to have a work session. Councilor Hall said he would like to have a work session so that we are clear as to what our expectations are. Councilor Balezteni agreed that the staff report was a huge step forward, he can read it and know exactly what is going on but he does not care what they are called, be it Management team or Three Amigos. Steve Draper stated that the staff has a staff meeting every week to discuss what is going on and come to a meeting of the minds. Councilor Hall stated that he would like to have the work session before Councilor Kirk leaves. Chief Richman said we would come up with a date and see if it works with Council at the next meeting.

Councilor Hall also made a comment regarding the PP&L grant. The PP&L grant was corporate monies that were floated through the City then back to the project. It was never tax payer dollars. Councilor Hall asked Mrs. Slabik if she understood that? Mrs. Slabik stated that when she first saw the letter that listed all the things the City wanted to use it for, she thought that we could chose from that list. Mayor Carnes stated that that was a wish list, but the grant could not be used for technology it was to be used for beautification. Mrs. Slabik said that she understands that now and understands that they were not tax payer dollars.

Councilor Kirk asked Steve Draper to get Angel or Teri to call Jim Hatley or Joan to get a bill for the Hinkle project so that we can get that all settled before she leaves.

Councilor Moss asked if Teri could check to ensure that all the pages of the packet are there before she sends it electronically.

Councilor Moss also asked about Councilor Tester and understood that she would not be here tonight. But wondered where Councilor Corwin was. She would like to be notified if it gets this close and there is a chance of not having a quorum. Teri Porter stated that she was not aware that Councilor Corwin would not be here tonight. Councilor Baleztena said that Councilor Corwin did let him know. Councilor members need to let Teri Porter and or Mayor Carnes know if they will not be present at the scheduled Council meetings. Teri stated that when she is made aware of a Councilman absence she will let the other Councilors know.

J. EXECUTIVE SESSION

Teri Porter stated that Steve Draper had asked her to keep the executive session on the agenda in-case something should come up unexpectedly. Steve Draper stated that there was nothing new to discuss.

K. ADJOURNMENT

On a motion from Councilor Kirk and seconded by Councilor Baleztena the meeting was adjourned at 8:30pm. All present voted yes.

APPROVED _____

ATTEST _____