

CITY OF PILOT ROCK

COUNCIL MEETING

February 21, 2012

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, Annie Tester, Ray Corwin, and Shawna Kirk. Also present were City Recorder Teri Porter, Public Works Director Steve Draper and Police Chief Darren Richman. Citizens present were John Taylor and Mary Lue Slabik.

B. INVOCATION

Councilor Tester gave the invocation.

C. PLEDGE OF ALLEGIANCE

Before going on Mayor Carnes asked Council for approval to add ORS 192.660(2)(b) Discipline of a Public Employee to the agenda under executive session. On a motion by Councilor Tester and seconded by Councilor Kirk, Council agreed to add ORS 192.660 (2)(b) to the executive session. All present voted yes.

D. APPEARANCE OF INTERESTED CITIZENS

Mary Lue Slabik addressed council with the concern that ordinance [no. 519 still includes the term "management team"](#). Teri explained that she had added the ordinance to the packet behind the Department Head reports to discuss a request that Councilor Hall had at the last meeting and that it must have been an older one that she pulled off her computer not realizing it had been changed. Steve Draper and Chief Richman assured Mrs. Slabik that the ordinance language had been changed to remove the term "management team".

John Taylor addressed Council informing them about "Contract Principles" and stated the following: When A&V and the City entered into a Commercial Lease Option on July 23, 2010, both parties had a responsibility and obligation as defined in writing. It was a legal binding contract and must be adhered to. But on May 17 when A&V made a written request to modify that agreement by requesting the down payment be reduce by \$100,000 the City had the right to say, no thank you, we'll stick with the contract as it is written or the City had the right to suggests modifications to the agreement as the City deemed beneficial to the City. Once an agreement is an agreement then both parties have to adhere to it, but once one party says they want to modify it that gives the other party full privilege to make any changes as they see fit. Subsequently as we go forward, and I don't know where it is all at but this Contract Principle applies to any written agreement, so anything that was agreed to after that by the City is because the City wanted to do it and they were not obligated under the original agreement. Please

don't take my word for it, contact the City attorney but that is a contract principle that is really important. Any questions? Thank you.

E. PRESENTATIONS

F-1 Resolution No. 539 Extending Workers Compensation to Volunteers

Teri Porter stated that she had been contacted by Tena Purdy of CIS. Currently our Councilors are covered under workers compensation, but Tena discovered that our Resolution does not include a provision for them. Tena has asked for a Resolution with language that includes the Councilors. Teri is asking Council to approve the attached Resolution # 539 that includes Council to be covered under workers comp insurance. On a motion by Councilor Kirk and seconded by Councilor Moss, Council approved Resolution No. 539. All present voted yes.

F-2 Resolution No. 538 Appropriating Funds from A&V Paid Property Tax.

Teri Porter explained that A&V Investments, as part of their lease agreement, has paid the property taxes for the land they are leasing. Teri now needs a resolution to appropriate these funds to the Economic Development Fund misc. income line item. On a motion by Councilor Tester and seconded by Councilor Kirk, Council approved Resolution No. 538 Appropriating Funds to the Economic Development Fund.

Discussion: Mr. Taylor asked what year the property taxes were for. Teri stated, the current year. All present voted yes

F-3 Approval of the 2012-2013 Budget Calendar

Teri Porter asked Council to approve the Budget Calendar. On a motion by Councilor Kirk and seconded by Councilor Tester, Council approved the 2012-2013 Budget Calendar. All present voted yes. Councilor Kirk asked if the documents would be the same or will there be changes. Teri said she felt it would be the same, unless there were suggestions on how to improve it. She would be flexible because it is all new to her and it would not be difficult to make those changes.

F-4 Wage Negotiations for Budget Purposes.

Chief Richman and Steve Draper came forward to the front table and Teri Porter read from the staff report, stating that each year the Council determines a percentage to be used for budgeting purposes only regarding personnel wages. Steve Draper stated that we use a number every year to put the budget together, and it has always been 6%, it does not mean you are giving us a 6% raise. Mayor Carnes stated that she thought it was 5%. Councilor Kirk stated that she is usually the one who says 0 0 0, but she does think that the economy being the way it is and because money is being handled better she made a motion to use 3% for budget purposes, the motions was seconded by Councilor Tester. Steve Draper stated that if Council does not approve a wage increase for staff this year, it would be 3 years without a raise. Steve made the argument that the cost of living has increased by 5.7% over the past 2 years. Councilor Kirk rebutted that the City's major employer gives only 2% raises. Councilor Corwin stated that they give 4% where he works. Steve stated that the City is economically better than it has been, we are receiving more revenues than we have in the past, that does not include A&V. We have been very

frugal with the budget for the last 3 years cutting here and there, every where we can. Of the new funds that are coming in we are looking at using 50% and saving 50%. Also we are looking at being able to lower the surcharge by at least a dollar if not more. Councilor Moss is inclined to go with the norm as far as going into the budgeting process and let the budget committee hash that out, and that our employees deserve a chance. Councilor Kirk does not remember it ever being 6%. Chief Richman stated that the reason staff went with 6%, is because the cost of living has gone up 5.7% in the last 2 years. Mayor Carnes stated we have a motion on the table and asked for a vote. The vote was split. Councilors Moss and Corwin voted yes and Councilors Kirk and Tester, no. There was additional discussion. Mary Lue stated that she understands that it is 6% for the budget, but if you are proposing 6% you have to find the income to handle that. She stated that she feels that we are fortunate to have the staff that we have and the longevity which is for our benefit. On the other hand our employees should be thankful to have the jobs that they have with the benefits and salary which is an asset to their families. With the economy the way it is, we have many families struggling and using the food pantry and such, she feels the 6% is too high to put into the budget. Teri asked for clarification, if Council approves 6% then that is what it is, or does the budget committee have a say in it? Steve stated that it can be changed in the budget process and then it is brought back to council for approval. Steve then stated that there is a lower cost in payroll due to new hires being paid lower wages. Teri does not make what Jackie made, Angel does not make what Kim did, we have a new officer making patrolman wages rather than that of a Sergeant, and we have been without a part time employee for 6 months, which will result in more money rolling over from this year into the general fund. John Taylor, stated that it could be true that there is a 5.7 CPI in Portland, but we have to take a look at what our town can afford to pay. We need to be careful that our City employees are not the highest paid employees in town. Steve stated that he does appreciate his job and the benefits, but if you look back 3 years and put a price tag on anything from milk to gas to hamburger, everything has gone way up in price and staff has to buy those items just like anyone else. Mayor Carnes asked Councilor Kirk to restate her motion. Councilor Kirk's motion was to use 3% for budgeting purposes for wages. The vote was split once again, with Councilor Tester and Kirk voting yes and Councilor Moss and Corwin voting no. Mayor Carnes broke the tie by voting no. Motion did not pass. Councilor Corwin said he felt it was best to have the 6% in there even if they only get 2% at least it is in there and Council would have to approve each increase anyway. He also stated that speaking personally that if he did not even get a 2% increase he would not be so inclined to do a good job for that employer, you get what you pay for. Councilor Moss made a motion to approve the 6% increase for wages for budgeting purposes. The motion was seconded by Councilor Corwin. Councilors Tester and Kirk voted no. Mayor Carnes broke the tie by voting yes. The motion passed.

F-5 Appointment of New Budget Committee Members.

Teri Porter asked Council to approve the appointment of the two applicants, Scott Sager and Karen Stanton to the Budget Committee as their previous term had expired. On a motion by Councilor Kirk and seconded by Councilor Tester, Council approved the appointment of Scott Sager and Karen Stanton to the Budget Committee. All present voted yes.

G-1 Department Head Report

Teri stated that she had terminated the US Linen contract, which will be up April 18, 2012, saving the City \$60 a month. New mats will be purchased and maintained by staff.

Teri also stated that Councilor Hall had asked to have a Planning section added to the agenda. She went on to explain that if Council by majority vote would like to have Planning added it would require amending Ordinance No. 519, Council Rules. Teri also stated that anything that is out of the City's dimensional standards as outlined in the City's code book, is brought before Council anyway as an action item. Councilor Tester stated that if we ever do get a Planning Commission together they would meet separate from Council and does not feel we should change it now only to have to change it when we do have a Planning Commission. Councilor Kirk agreed with Councilor Tester, and felt the way we are currently doing it is sufficient. No motion was necessary.

H-2 Consent Calendar

On a motion by Councilor Kirk and seconded by Councilor Tester, Council agreed to accept the Consent Calendar. All present voted yes.

Mary Lue Slabik, addressed Council, stating that she noticed that Councilor Snively's request to look at capping the employees medical insurance has been removed from the future agenda. Steve Draper stated that the issue had been addressed since all new employees are required to pay 5% of their insurance. Teri and Rachell both pay 5%. Councilor Kirk felt it was something that was to be revisited. Councilor Kirk suggested a subcommittee to look at it. Councilor Tester stated that she felt that Councilor Snively was referring to setting a cap on all employees if the insurance goes up. Teri clarified that there would need to be a cap for each rate, employee only, employee and spouse, employee and family. Chief Richman stated that each year staff looks at ways to cut the insurance costs. We increased our deductible, we now pay 80/20, plus the new hires are paying 5%, so we have been taking steps to reduce the costs. [Councilor Kirk made a motion to direct Teri to come up with a report outlining the cost of each type of coverage and suggestions for caps for each.](#) The motion was seconded by Councilor Tester, all present voted yes.

J. EXECUTIVE SESSION

ORS 192.660 (2)(e) Real Property Transaction.

Council went into executive session at 7:42pm. Present in executive session was Councilors Moss, Tester, Corwin, and Kirk. Mayor Carnes, Teri Porter, Steve Draper and Darren Richman.

Council came out of executive session at 7:45pm.

ORS 192.660 (2)(b) Discipline of Public Employee

Councilor Kirk wanted to make it clear that no discipline would be done tonight. This is just to discuss an instance. Council went into executive session to discuss a possible discipline concern. Teri Porter and Chief Richman were excused. Councilor Kirk

would handle the recording of this session.

Council went back into executive session at 7:47pm. Present in executive session was Councilors Moss, Tester, Corwin, and Kirk as well as Steve Draper.

Council came out of executive session at 8:35pm.

J. ADJOURNMENT

On a motion by Councilor Tester and seconded by Councilor Kirk, Council agreed to adjourn the meeting at 8:35pm. All present voted yes.

APPROVED _____

ATTEST _____

