

CITY OF PILOT ROCK
Regular Council Meeting
OCTOBER 6, 2009

A. ROLL

The meeting was called to order by Mayor Virginia Carnes at 7:00 PM. Council members present were Kacie Moss, John Standley, Nancy Lankford, Michael Balezteni and Shawna Kirk. Also present were City Manager Paul Koch, City Recorder Jackie I. Carey, Chief Richman, Public Works Supervisor Steve Draper, Mary Lue Slabik, Glen Snively, Jim Carey, Tom Callahan, Maralyn Stelk, Kurt Stelk, Mike Nelson, Scott Callahan, Jennifer Callahan, Beverly Bonando, Chuck Bonando, Marlene Brown, Helen Pace, Shelby Waite, Kresimir Waite, Bonnie Schmidt, Mick Mikkelsen, Jeri Mikkelsen, Carol Elliott, Virginia Jones, Anne Dirkes Don Dirkes, Gary Hale, Linda Woodfin, Bill Woodfin, Joe Montgomery, Tom Callahan and John Taylor.

Mayor Carnes advised that Councilor Bob Montgomery called in to be excused from the meeting.

B. INVOCATION

Mike Nelson gave the invocation.

C. PLEDGE OF ALLEGIANCE

D. APPEARANCE OF INTERESTED CITIZENS

Gary Hale addressed the Council on behalf of the Senior Center. Hale requested when the City paves Main Street that they make it wheel chair accessible by the Senior Center. The sidewalk curb is very high and several seniors have fallen because it is difficult for them to step over the curb. Public Works Supervisor Steve Draper stated they would do something over there to fix this problem.

Mary Lue Slabik wanted to know if the Council had a final billing on the Council Chambers. She stated it was announced that the City spent \$79,199 on the remodel. Slabik checked the City's minutes and only \$34,727 was actually approved, which leaves a balance of \$44,472 that was not approved by the Council. Slabik wants to know what is being done so public funds are not spent without prior approval?

Manager Koch advised the Council has adopted management procedures at the staff level so this is not done again.

Councilor Standley would like to see a policy that non staff personnel, such as the Council members and Mayor, put their requests in writing when they want city staff to do anything. He would like to have a paper trail. Manager Koch advised he would work on management procedure to address Standley's concerns.

John Taylor stated the Council Chamber is beneficial for the whole community. There is money being spent that is not being approved by the Council such as the bike pit grant, counter and burn pit is not a good idea.

F-1 ROCKET ESPRESSO

Jennifer Callahan has purchased the Rocket Espresso from Nancy and Jim Hinkle. A revision in the Lease is now required. The proposed Lease is the same with one change. The change is the Lease will automatically renew unless either party decides to do something new or different.

Due to an oversight the City had not filed this change in the property use with Umatilla County, so there will be three years worth of taxes due this year. On a motion by Baleztena and seconded by Kirk the Council approved the revised lease with Jennifer Callahan at \$150 per month and authorize the City Recorder to sign the lease. All members present voted yes.

F-2 BIKE PIT

Council has accepted a grant in the amount of \$28,000 from the State of Oregon matched with \$3500 from the City and \$3500 from the Pilot Rock OHV Park Association. Total resources for the master plan process are \$35,000. State funding is paid on a reimbursement basis.

The Council has authorized the seeking of RFQ's and review of three firms has been completed. Dirt Wurxs, Cascade/Seder and CSHQA/Anderson /Perry sent in qualifications and proposals. A committee from the Association reviewed the qualifications and makes the recommendation.

There are three basic components to the work to be done. One is the Master Plan including an RV Park, two is the operating plan and three is the maintenance plan. Together, these elements lay out a comprehensive business plan that can be implemented by the Association. The Association recommends that the contract be awarded to CSHQA in the amount of \$35,000. Anderson/Perry is jointly with CSHQA.

Councilor Standley wanted to know who reviewed the bids. The committee that reviewed the bids was Steve Draper, Mark Street, Laura Brown, Mike Brown, Jerry Johnson, Virginia Carnes and Kim Bedard.

Councilor Standley stated the City may have a short fall in revenue. Manager Koch stated the City would be ok.

On a motion by Baleztena and seconded by Kirk the Council awarded the contract to develop a master plan for the Bike Pit to CSHQA in an amount not to exceed \$35,000 and authorize the Mayor to sign the contract. Councilor Lankford asked why this firm was selected. Draper stated this firm had more experience than the other two. All members present voted yes.

F-3 STREET GRANT

The City has been notified that they have been awarded an ODOT grant in the amount of \$94,000 to pave Main and portion of Alder Street. Since the City was unaware of the awarding of this grant during the regular budget process, the City by Resolution will receive and make appropriations in the amount of \$94,000 for a specific purpose.

On a motion by Lankford and seconded by Baleztena the Council approved Resolution No. 496, a resolution appropriating grant funds. All members present voted yes.

F-4 WAITE VARIANCE HEARING

Mayor Carnes opened the variance hearing.

Waites are requesting a minor variance to construct a residence and garage located at 244 SE 4th. They would like to build their residence 4' from their property line on the north side and 10' on the north side for their garage. However, the required front setback is 10' on the north side for their residence and the front setback is 20' on the north side for their garage. Since the lot size is 7333 sq. ft. for each lot, they would not be covering more than 30% of their lot with structures. The Waites have requested from the County to combine both lot 2 and 3 into one tax lot.

The location of the proposed construction has a street right of way of 80' with only a small portion of the right of way being used. This street is SE 4th has recently been paved with about 22 feet being paved. The transportation plan requires only 50-60 feet right of way for a local street. The pavement is located closer to the properties on the north side of SE 4th, which will give a visual that the structures are not located close to the property line.

Kurt Stelk presented a letter from his mother, Maralyn Stelk, who is a neighbor to Waites property. Since the street right of way is 80 feet, the Stelks do not

want the City to vacate the street and give Waites a portion of the street so they can build their residence closer to the street. They do not have a problem with their proposed variance as long as they don't build any closer to the street right of way.

Kurt Stelk stated he was interested in purchasing the city lot west of Waite's property. The City has been working with Waites regarding a land exchange for that lot for the sewer easement on Waite's property.

Councilor Standley stated a view lot has more value than a non viewable lot.

On a motion by Standley and seconded by Baleztana the Council approved the variance 4' from the 44' center of the street line and 10' for the garage. All members present voted yes.

F-5 DLCD GRANT

Pilot Rock needs to update the comprehensive plan with regard to economic development. Current plans do not adequately reflect the importance of economic development to the community, so an update is very timely. Such an effort will have a large impact on the community and needs to be done.

DLCD is the process of granting awarded to communities who desire to update their comprehensive plans.

There is need for a 10% local match, which can be "in-kind" staff and material support. We anticipate no cash needs to be generated by the City in this process.

On a motion by Lankford and seconded by Kirk the Council approved Resolution No. 495, a resolution authorizing the application for a grant in the amount of \$30,000 from DLCD for a comprehensive plan update. All members present voted yes.

G-3 KINZUA LEASE

Manager Koch advised the Council that real estate agent, Jim Whitney, is in the process of attempting to talk with officials of Kinzua to move the negotiations forward for the sale. As of September 5, 2009, the amount owed to the City was \$59,387, including the last time \$20,000 for community projects. As of October 5, 2009, the next due date, the amount owed to the City becomes \$59,080.

We are told that Kinzua intends to pay all amounts due and hopes to make that a part of the sale process, as an addition to the sales price negotiated with the

City. In the "Letter of Default", the City asked for immediate payment to bring the account current and that the account remains current until negotiations could be concluded.

Bill Woodfin, Kinzua Manager, stated the original lease was extended for 30 days. Woodfin advised their attention has been diverted from this lease due to a major fire to their property in Yakima.

On a motion by Standley and seconded by Lankford the Council agreed to extend the lease for 2 weeks to deal on the sale of the property or pay up. The Council wants a demand letter sent. Standley, Lankford, Baleztena and Moss voted yes. Kirk stated a conflict of interest and did not vote.

Glen Snively stated the arrears payments should be paid before any further negotiations.

G-2 STREET PAVING DESIGN

At the September 1, 2009, Council meeting, a question was raised regarding the design of the street paving project and the proposed medians.

The owner of the Pilot Rock Market has agreed to reimburse the City for the cost of construction of a black top sidewalk along the Pilot Rock Market parking lot to replace the current unsafe sidewalk. Councilor Lankford asked why the operator of the store has to pay the costs instead of the owner of the property. Manager Koch advised the operator is having problems with his insurance company regarding the unsafe sidewalks. Koch will contact the property owner regarding the agreement with the operator.

Michael Mikkelsen had a concern about the medians blocking his access to his property. Public Works Supervisor Steve Draper stated he would work with the property owners on the location of the medians.

G-1 MANAGER'S REPORT

There will be a vision review session on October 13, 2009, from 7 to 9 PM in the Council chambers.

Mayor Carnes will have a work station office in the Council Chambers. The mayor will have regular business hours so she will be more available to the public.

Councilor Standley has no problem with the mayor having an office, but the whole Council still makes all decisions. Mayor Carnes assured Standley that would not be a problem.

G-4 POLICE DEPARTMENT

Chief Darren Richman advised the Council that the police department is up to full staff now. Two of the three officers now reside in Pilot Rock. Two of the officers work 4-10's and the Chief works 5-8's every day of the week, unless someone is sick or on vacation.

Chief Darren Richman advised the department has received 1700 various calls since January and have 100 cases since January. They are putting out the radar reader board in various places in town.

Chief Darren Richman asked the Council if they have any concerns to please give him a call.

G-5 WATER PROJECT UPDATE

Manager Koch gave the Council a status report on the water project. The initial budget for construction was \$432,245 with the funding sources as follows:

Utility Reserve Fund	\$112,000
Water Fund	\$ 22,245
Economic Dev. Fund	<u>\$300,000</u>
Total	\$432,245

On August 18, 2009, the Council awarded the contract in the amount of \$585,590 to Mocon Corporation. During the Council meeting, there was a discussion regarding additional costs that were necessary to complete the project. That discussion focused on the Engineering services necessary to successfully complete the project. Council directed that additional funds come from the Economic Development Fund (there is \$115,800 available) and also from the Utility Reserve Fund (there is approximately \$130,000 available in the sewer portion of the fund).

Additionally, Council directed staff to "take money from other places to get Phase I done this year". Working to lower or reduce project costs was also mentioned and looking at lowering the engineering costs was also suggested.

Budget Adjustments: Based on Council directions the project funding plan looks like this:

Additional Funds from Economic Development	\$100,000
Loan from the Utility Reserve	\$110,000
Loan from the Equipment Reserve	<u>\$ 70,000</u>
TOTAL	\$280,000

This action will provide \$712,245 to complete the project and the estimated cost of the project is \$712,490.

On September 30, 2009, the City Staff met with the Engineer and reviewed the project, costs and financing. The updated costs for the project are:

Construction Bid award	\$585,490
Engineers Project Supervision	\$ 68,500
Project Contingencies	\$ 48,500
Cost for permits	<u>\$ 10,000</u>
New adjusted total	\$712.490

The City Staff met with the contractor and negotiated a change order to be able to bore under the creeks. In the original bid, the contractor estimated \$40,000 as the cost to cross the creeks. The estimate to bore under the creeks is \$59,900. By changing the project to bore under the creeks using the \$40,000 to help pay for that, there is only a need for approximately \$20,000 to complete the boring, stay on schedule and avoid the need for permits. The additional funds to pay for this change will come from the projects contingency and the contractor has agreed to keep the additional cost at \$15,000 for the boring. Boring will begin October 5, 2009. The work in the creek must be done by October 15th and we think our chances of getting an extension are pretty small.

Anderson/Perry has process the first payment to the contractor. The check has been processed and delivered.

The Council had no problem with the finances.

H. CONSENT AGENDA

There was a correction in the September 1, 2009, minutes. There will be 1 ½" overlay instead of ½" on the paving project.

Councilor Lankford had a question regarding the Pendleton Lab bills. City Recorder Carey advised the invoices were attached to the report and not put in the bills to be paid folder.

On a motion by Lankford and seconded by Baleztena the Consent Agenda was approved with the correction to the minutes. Standley, Lankford, Baleztena, and Moss voted yes. Kirk voted no.

I. COUNCIL COMMENTS

The City needs to advertise again for planning commission members.

Mayor Carnes advised there will be a turkey shoot at the Gun Club on October 17th.

Mayor Carnes stated that Pilot Rock would have a food assessment done. There is possibility of a grant from CAPCO.

J. ADJOURNMENT

On a motion by Kirk and seconded by Moss the meeting was adjourned at 9:30 PM. All members present voted yes.

APPROVED_____

ATTEST_____