

CITY OF PILOT ROCK

COUNCIL MEETING

June 4, 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, Josie Forster, and Jim Hinkle. Also present were City Recorder Teri Porter, and Police Chief Darren Richman. Citizens present were Mary Lue Slabik, Raymond Wilcox, Glen Snively, Don Hoke, Lou Reynolds, Nancy Lankford, Dean M, Gary Hale, Derek and Rindy Watson, Jim Rogers, Connie Putnam, Lavonne Putnam and Ray Slabik.

B. INVOCATION

Pastor Jeffers gave the invocation.

C. PLEDGE OF ALLEGIANCE

None.

D. APPEARANCE OF INTERESTING CITIZENS

None.

Mayor Carnes noted that there were a number of citizens and asked if there was anyone that was here to address council with a matter that is not on the agenda. No response.

E. PRESENTATIONS

None

F. ACTION ITEMS

F-1 BUDGET HEARING

Mayor Carnes opened the Budget Hearing and stated that it would remain open until after all the action items. Teri stated that the purpose of the budget hearing is an opportunity for Council to hear the citizens concerns and no action will be taken tonight regarding adopting the budget.

Teri Porter stated that Mr. Taylor had given her a letter ([attached #1](#)) that he would like have read into the minutes and asked Councils direction as to how they would like to handle this (the letter was given to each Councilor prior to the meeting). Councilor Hinkle stated that if someone would like to give personal testimony they should be present to read it and should not be passed on to someone else to read it. **On a motion by Councilor Forster and seconded by Councilor Hinkle Council agreed not to read Mr. Taylors letter into the minutes.** Mrs. Slabik stated that if a person can't be here then what else can you do except write a letter. Councilor Moss agreed and suggested that it should be included with the minutes but we are not going to read it. **All present voted yes that the letter would not be read.** Mayor Carnes asked Teri to share some

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information regarding the letter. Rather than rebutting the letter Teri gave 6 facts. #1 the Sewer Fund budget that was approved by the budget committee is for \$162,268, not the \$164,101, as stated by Mr. Taylor. #2. The Sewer fund is a self funded account, which means that the revenue it receives from the monthly surcharge and fees for using the sewer is the only income it receives to operate. #3. In 2013 funds collected from the monthly surcharge will come to \$130,000. There is an additional \$4,387 collected from Tresham and Arnes for the use of our sewer. That is a total of \$134,387 annual revenue that is to pay for the expenses to maintain the sewer. #4. In 2013 actual expenses are expected to be \$135,937. #5. The \$13,508 carry over is due to savings over a 3-4 year period of time (it is not earned in that year it is savings from previous years), which is intended to be saved in capital outlay. #6. In the 2014 budget year, due to inflation and uncontrollable rising cost of PERS, we are anticipating an increase in expenses of approximately \$10,000, making the total expenses over \$145,000 for the coming year. This does not include anything for contingency or capital outlay. Mayor Carnes stated she is privy to a phone call that Steve Draper received from one of his suppliers of parts for the sewer and water system, which informed him that starting in January of 2014 prices will go up 30% to 40% on brass and copper. Teri handed out a copy of a spreadsheet of the utility rates for cities of similar size and median income ([attached #2](#)). Teri pointed out that Pilot Rock is second to the lowest rates even with the 1.50 increase. Councilor Rowe stated that she spoke with someone from Athena who told her their rates used to be about \$40 a month, but then they had problems with their sewer lines and had to get a loan to pay for repairs and then their rates jumped up to \$69.50, because they did not plan for these types of issue. That huge of a jump would be a lot harder on citizens. Teri pointed out that Elgin is dealing with the same type of issue. They are going to make a jump from \$52.75 to \$73.75 on July 1, 2013. Mr. Wilcox brought up concerns regarding an increase that was done 15 years ago and questioned what happened with the money from that increase? Said he was told it was to reline and put new sewer lines in to upgrade the sewer line to EPA standards. Nancy Lankford, who was on Council years ago, did not remember that there was talk about relining the sewer lagoon, but that system is designed to work the way it is working now and test are done monitoring the lagoon, but she does not remember specifics. Without Steve's presence no one could answer his questions from so long ago. Teri stated that this increase is not to fund a special project it will be used to maintain the system as it is. Councilor Moss referring to the budget pointed out that we don't have huge carry over, and all we are budgeting for is the cost to operate. Mary Lue Slabik suggested that we take Mr. Wilcox question and try to get an answer.

F-1 American Flags

Glen Snively addressed Council with concerns that some flags and poles need to be replaced. Mayor Carnes suggested that he talk to the Downtown Association, as they funded it initially. Glen said he would try to make the next Downtown Association meeting. Councilors Hinkle and Rowe complemented Glen on his efforts and stated that the flags really look good when they are up.

F-2 Approval of Resolution #549 Sewer Rates Increase

Mary Lue Slabik passed out a brochure ([attached #3](#)). Mary Lue proceeded to go over the figures on the brochure and stated that it shows that the increase is not needed. She went on to say that the City reduced

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it's revenue with the sale of the Masonite property. She feels that we have enough money in the fund and there is no need to increase the sewer rate. She asked Council to look at the facts and not increase the sewer rate.

Teri stated that staffs recommendation is to approve Resolution #549 to increase the sewer rate. Mr. Hoke stated that he felt that the questions raised by Mr. Wilcox should be answered before voting on this resolution. Teri explained that he is talking about a budget from 15 years ago, and we are talking about the budget for 2014. She understands his frustration but with a current revenue of \$130,000 and a projected expenses of \$145,000 there is not enough money to operate. This is not for a rainy day fund. Glen Snively referring to the brochure asked why we could not use the \$16,000 that is in excess. Teri stated there is not \$16,000 in excess. Glen asked if Mary Lue is in error? Teri stated they are comparing Budget to actual, and that she is giving them actual numbers. There was a lengthy discussion regarding the increase in expenses in 2014. These increases were explained at the two budget meetings that were advertised and open to the public as well as at previous council meetings. The proposed budgets have been available to the public since May 4th which contain the breakdown of these expenses. Mary Lue commented that she felt a Budget Hearing was only to hear citizens concerns and should not be a debate. Teri stated that we are in a hearing but also addressing action items that we are answering questions about. Mary Lue asked for clarification that the figures on the brochure that were pulled from the proposed budget, are not correct. Teri did not dispute that those numbers came out of the budget, then went on to explain where the errors occur. The brochure is comparing the budget for next year with the actual expenses for this year, but does not take into consideration why the expenses were so low this year (nothing spent out of contingency or capital outlay, turnover in staff) and the added expenses that we know will occur next year. The money that is in contingency and capital outlay is actually money saved over the course of several years. Obviously it is not coming from the surcharge because the surcharge is only giving us \$130,000 and we know that our expenses are greater than that so you are not gaining any extra money from the surcharge. The beginning fund amount is due to savings from previous years, which we try to keep in capital outlay and contingency each year. Each year Steve is saving that money to carry over to the next year and put back into capital outlay and contingency. If we do have a failure in the sewer system there is some money there, it is common practice. That is why it is not a fair number to use the Budget number for 2014 and the expenses number for 2013. Mary Lue asked for clarification that Council would not be adopting the budget tonight. Teri agreed but stated that the resolution to increase the sewer rate must be voted on tonight. Mary Lue felt that if you are not going to adopt the budget tonight why would you approve the resolution. Teri explained that she needs to know if the increase will be approve in order to prepare the budget. If the increase is not approved the budget will not balance. Councilor Forster stated that Mary Lue had been at both budget committee meetings and was given time to ask questions at that time, she felt that we had been very generous with the time that we had allowed Mary Lue but felt it was time to move on. Mary Lue stated that in the past citizens were allowed more time. Councilor Rowe stated that the increased \$1.50 is not going to a contingency fund or savings account but is going to the bare minimum of what it cost to operate our sewer. If you took away the

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money that has been saved over the years the sewer fund would actually been in the hole. There was discussion on the rising cost of operating and questions why the costs are put on the backs of the citizens. Teri explained that the sewer is for the benefit of the citizens. It is a service provided to the citizens at a cost. If you want that quality of service you have to pay for that quality of service. Glen Snively stated that perhaps the citizens don't want that quality of service. Glen Snively does not agree with the \$1.50 increase but expressed concerns that we are not prepared for the future. Nancy Lankford, said that she is not happy about the increase, but she has dealt with the budget enough to know that she can see that it is needed and it is a modest increase. There was discussion that smaller increases like this would be preferable to a huge jump all at once. Nancy also stated that it is not a responsible action for the Council to intentionally run any department or budget into the red. Councilor Moss stated that it is not an easy decision to make and appreciated the testimony, **then made a motion to pass resolution #549 increasing the sewer rates. The motion was seconded by Councilor Forster. All present voted yes.**

F-4 APPROVAL OF OFFICE STAFF SCHEDULE

Teri requested that council approve a 4 10 work week for both hers and the Administrative Assistant position. She stated that in years past the office had worked this schedule and found it to be very beneficial . She stated that she listed several reasons this would be beneficial in her staff report ([attached #4](#)) and also attached a proposal from Jackie Carey back in 2009 which stated similar benefits of the schedule. The office hours would remain the same. **On a motion by Councilor Moss and seconded by Councilor Rowe, Council approved the 4, 10 hour day work schedule for full time City Hall employees. All present voted yes.**

F-5 TRAILER AT THE BIKE PIT

Chief Richman updated Council regarding the trailer at the bike pit. Chief covered the background information as stated in his staff report ([attached #5](#)). Mayor Carnes asked if they could be provided with a list of specific items that has to be addressed. Chief Richman's referred back to the items he read off in his staff report. Mayor Carnes asked Derek Watson (sergeant at arms of the bike pit) who was present along with his wife Rindy Watson (bike pit secretary), if he understood the list. He stated that he does and will take it back to the bike pit board. Mayor Carnes asked if it is financially feasible to bring that building up to code. There was discussion that permission or a permit was not acquired before the building was placed on the property. Derek explained that the amount of volunteers to help support the Bike Pit has fallen off as well as participation of current members. Councilor Moss stated that council was trying to work with the bike pit, but does not feel that this structure is the right structure for the image we are trying to portray. She went on to suggest that once their 501c3 is approved that they would be able to go after some grant money to build a structure that would be more appealing, but feels the trailer needs to go. Councilor Moss also suggested that a date be set for a work session for the bike pit and City Council to discuss how we are going to move forward, whether or not to deed the land and explore some sort of partnership. It was explained that the expense to remove the trailer would not be on the City. **On a motion by Councilor Rowe and seconded by Councilor Hinkle council directed that the bike pit remove the trailer within 45 days, by July 20, 2013. All present voted yes. On a motion by Councilor Moss and seconded by Councilor Rowe, Council agreed to hold a work**

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session on June 20, 2013 at 7pm, in Council chambers. All present voted yes. . Council appreciated Derek and Rindy for being there. It was made clear that no letter will be sent to the Bike Pit regarding the work session, it is up to Derek to inform the bike pit of the meeting.

On a motion by Councilor Rowe and seconded by Councilor Moss, Council agreed to close the Budget Hearing. All present voted yes

G-1 INFORMATION ITEMS, REPORTS AND PRESENTATIONS

Department Head Report

CITY HALL:

1. Have competed the LB1 and published it in the East Oregonian. The LB 1 is a condensed version of the approved budget that is published in the EO and announces that there is going to be a Budget Hearing on June 4, 2013.
2. Still fielding questions regarding the budget.
3. Have made inquiries to Wheatland regarding Recreational Immunity. I asked ...Does recreational immunity only apply to government owned property/ Or is any landowner, who opens their property up for public use but does not charge a fee, covered by the same? His response was that it is his understanding that recreational immunity can be used for public as well, but will double check.
4. Have asked the bank when the most advantageous time would be to make the lump sum LOCAP payment. As of this packet I have not heard back from them.
5. Have started reading meters this month, so Rindy is busy entering meter reading and dealing with issues that may arise.
6. Rindy is prepping for this years Swim Bus program.

POLICE DEPARTMENT:

1. The new computer program appears to be moving forward and the information will be addressed in June.
2. We are gaining compliance with ordinance issues.

Chief Richman added that the Blue Mountain Enforcement Narcotics Team (BENT) was in Pilot Rock for 4 hours yesterday, doing "knock and talks". He explained that we give them information and they go out and knock on doors to check out suspected drug activity.

PUBLIC WORKS:

1. The sewer line was plugged on Douglas. Could not unclog with our jetter truck had to call Pendleton.
2. The sewer lift station is have electrical problems. Will call Pendleton Electric to trouble shoot.
3. The Gator is having engine problems will take it to Lexington for repair.
4. Will be doing the lead and copper test in June.
5. Steve will be gone 90% of June to burn up vacation hours.
6. Will be doing the annual mass mailing of the CCR report the end of June.

H. CONSENT CALENDAR

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

I. CITY COUNCIL COMMENTS

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Mayor Carnes asked Councilor Forster to give Council a recap of the very special day we had in Pilot Rock last Thursday. Councilor Forster stated that representatives of the Confederated Tribe of Umatilla Indian Reservation along with fabulous drummers came to Pilot Rock and spoke of the History of Pilot Rock that was represented in our mural. One of the two mural artists were here and spoke about the mural and its significance to the history of Pilot Rock. Most of the grade school and some of the high school students attended. Several Pilot Rock residents attended and many pictures were taken. They also preformed a blessing of the mural as part of their ceremony. It was an excellent opportunity for positive dialog between the Confederated Tribes and the City of Pilot Rock. She was very impressed by their representatives. She also added that the children who attended were very well behaved and spoke so well of the school system and the teachers as well. Mayor Carnes emphasized what a historic date this was, nothing like this has ever happened in Pilot Rock before. They are making a huge effort to reach out to us. This is the kind of communication that we have never had. Mayor Carnes also expressed her delight that they are returning for the joint meeting on June 18, 2013, before the Council meeting.

Mary Lue expressed her appreciation to staff, Council and the budget committee for everything they have done on the budget.

J. EXECUTIVE SESSION: ORS 192.660 (2)(H)

Council went into executive session at 9:50pm to discuss a letter from the City Attorney. Present were Councilors Moss, Hinkle, Rowe and Forster. Mayor Carnes, Teri Porter and Chief Richman.

Council came out of executive session at 9:58pm. **On a motion from Councilor Moss and seconded by Councilor Rowe, Council agreed to direct David to make the changes to the letter and send it. All present voted yes.**

Chief Richman added that Mr. Callahan lost his appeal so it comes back to municipal court. Councilor Rowe asked about the money that we spent pursuing this. Chief stated that we will be addressing that in the next court.

Councilor Moss asked where the other two Councilor's were this evening. No one was called. They were a no call no show.

K. ADJOURNMENT

On a motion by Councilor Forster and seconded by Councilor Rowe, Council agreed to adjourn at 9:02. All present voted yes.

APPROVED _____

ATTEST _____