

CITY OF PILOT ROCK

Regular Council Meeting AUGUST 4, 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, Bob Montgomery, Michael Baleztena 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, Lorene Whittaker, Jim Whittaker, Tim Weinke, Annie Tester, Harley Jeffers, Brad Baird, Roy Golden and John Taylor.

B. INVOCATION

Pastor Harley Jeffers gave the invocation.

C. PLEDGE OF ALLEGIANCE

D. APPEARANCE OF INTERESTED CITIZENS

Tim Weinke and Annie Tester, from the Community Days committee, asked the Council for approval to have the City's insurance to cover the activities for Community Days with the exception of the Beer Garden. Crabby's will have their own insurance. The Committee would also like to close the following streets; N. Alder Place, West Main and a portion of Alder Street for various activities. They will not have the lawnmower races this year so Cherry Street will not be closed.

On a motion by Baleztena and seconded by Moss the Council approved to have the City's insurance cover the Committee Day activities. All members present voted yes.

On a motion by Standley and seconded by Baleztena the Council approved closing N. Alder Place, West Main, Alder Street and the parking lot behind City Hall. All members present voted yes.

F-1 RES. # 477 SURPLUS LOT

For several months the City has been looking into the possibility of disposing of a parcel at the end of SE 4th Street. The property has been surveyed with property pins set and an appraisal has been done. The appraiser has determined that the lot has no market value. Kresimir and Shelby Waite have signed a sewer easement to the City giving the City access to work on the sewer main on

Waite's property. Waites would like to exchange the sewer easement for the surplus lot. The City needs to declare the city lot surplus first by approving Resolution No. 477.

At the August 5, 2008, council meeting, the option of exchanging the sewer easement from Waites for the surplus lot was discussed. Standley wanted to know if the City could legally exchange the property.

Councilor Standley suggested following through with the exchange of the city lot for the sewer easement, but with covenants not to build any structures or put up a fence.

Recorder Carey advised that Waites lived up to their part of the agreement and they have signed the sewer easement and it has been recorded.

On a motion by Standley and seconded by Lankford the Council agreed to proceed with deeding the city lot to Waites with the restrictions that there will be no structures or fencing and the City will split the expenditures 50/50. All members present voted yes.

F-2 WATER PROJECT

The bids for the water project were opened last Thursday, July 30, 2009. Attached please find the tabulation of the bids. The lowest bid for Phase I was Mocon Corporation in the amount of \$585,490. There would be additional costs as follows for the project: \$68,750 Engineering, \$58,500 Contingency, \$26,750 Permitting, and \$20,000 loan application for a total project of \$759,440. The City has available cash of \$432,245 leaving a balance of \$327,200 that would need to be financed.

Manager Koch has checked with USDA and their interest rate is 3.5%. If financed for 30 years the annual payment would be \$17,800. The \$2.50 water project charge that is currently on the utility bill would make the annual payments. This charge brings in about \$20,000 annually. If the City goes with USDA, the bid can not be awarded until their loan process has been completed.

Another option would be to not include Alder Street and the High School. This would lower the amount to be financed to \$167,920.

Brad Baird advised they have already applied for a loan with the State Safe Drinking Water so the process may take less time. There is also the option of getting financing from a bank. Koch has already talked to Sterling Savings Bank.

On a motion by Kirk and seconded by Baleztana the Council instructed staff and the city engineer to look at all the financing options and report back by the next council meeting. If they get the information sooner, they are to call a special council meeting. The staff was also instructed to look at the budget for ways to come up with \$167,920 in the present budget. All members present voted yes.

F-3 KINZUA GRANT

Kinzua Resources received an air quality fine from DEQ. DEQ approved allowing Kinzua to pay the City a portion of their fine to the City for Hwy 395 Enhancement Project. The City received a check from Kinzua Resources in the amount \$1120. Since the City was unaware of the specifics of this grant during the budget process, the City by Resolution will make appropriations for these funds. We have received a bill for trees in the amount of \$749 that needs to be paid.

Mayor Carnes read Resolution No. 491 into the record. On a motion by Lankford and seconded by Montgomery the Council approved Resolution No. 491, a resolution appropriating Kinzua grant funds. All members present voted yes.

F-4 EDA & DEQ GRANT APPLICATIONS

City Manager Koch would like permission from the Council to apply for a federal EDA grant for approximately \$200,000 with a match of \$20,000 and also to apply for a state DEQ grant for approximately \$30,000 with a match of \$3,000.

Councilor Standley felt the City was up to their armpits in projects that need to get finished. Standley made a motion not to authorize staff to apply for these grants. The motion was seconded by Lankford. Standley and Lankford voted yes. Baleztana, Montgomery, Moss and Kirk voted no. The motion did not pass.

Koch advised these grants would not be in the current budget, they would be in the 2010 budget. Koch also stated the application for the grants were minimal. On a motion by Baleztana and seconded by Moss the Council gave staff approval to apply for the grants. All members present voted yes.

G-1 CITY MANAGER REPORT

Staff has been working on a proposed lease with a new tenant at the Masonite facility. The process may take a few weeks before it is in position to come back to Council.

The Mayor and City Manager are looking into becoming members of the Pendleton RCDC group, because Pilot Rock is in the Pendleton Enterprise Zone.

City Manager is waiting to meet with the Fire Board regarding finalizing the joint plan to complete the sidewalks.

City Manager has not met with the Bike Pit committee due to a death of a family member.

We have hired Roberta Muth as our first tier replacement person for Angel and Kim. We will keep other applicants in the queue in case we need additional workers.

Met with Kim and Angel to see what we could do to enhance the city newsletter. There will be some adjustments.

G-2 OHV AGREEMENT

Manager Koch advised he had nothing at this time. Councilor Standley want to know how the rest of the Council felt about deeding the bike pit to the OHV organization.

Councilor Baleztana has a problem deeding it. It is now free to the public if a private group controls it, they may choose to charge. Councilor Lankford stated if the City deeds the property then they will be responsible for what they do there and if they want to charge for riding. Lankford likes the idea because there are clear lines who is responsible for what.

On a motion by Standley and seconded by Lankford the Council would like staff to start the process of deeding the property to the OHV park. All members present voted yes.

H CONSENT CALENDAR

On a motion by Kirk and seconded by Baleztana the Council approved the Consent Calendar, which approved the July 21, 2009, minutes and the bills. All members present voted yes.

I. COUNCIL COMMENTS

Councilor Standley asked about Kinzua subleasing to the archery range. He would like to see the lease and their insurance coverage. Councilor Kirk stated she would get that information to the Council tomorrow and have it on the agenda for August 18th meeting.

Mayor Carnes read some comments from former students from Pilot Rock from her Face Book. She feels this could be a great way to communicate with the public.

Councilor Standley asked how often the minutes are put on the City's web page. Carey stated she sends the minutes to Angel after they are approved. Mayor Carnes advised the website need some work.

ADJOURNMENT

On a motion by Kirk and seconded by Moss the meeting was adjourned at 8:40 PM. All members present voted yes.

APPROVED_____

ATTEST_____