

CITY OF PILOT ROCK

REGULAR COUNCIL MEETING

JUNE 15, 2010

7:00 PM

ROLL

The meeting was called to order by Mayor Virginia Carnes at 7:00 PM. Council members present were John Standley, Shawna Kirk, Nancy Lankford, Dawn Alderman, Glen Snively and Michael Baleztena. Also present were City Recorder Jackie Carey, Public Works Supervisor Steve Draper, Chief Darren Richman, Kim Bedard, Jim Carey, Bill Woodfin, Viktor Klimenko, Roman Klimenko, Michael Shkrumelyak, Jim Hatley, John Taylor, Loraine Greene, Samantha Tipler, Gerry Porter, Legaya Bernabe, Harley Jeffers, Mary Lue Slabik, Charles Bonando, Bruce Hilde, Leonard Burgess, Mark Street, Buck McEntire, Lynette McEntire, Wayne McEntire, Donna McEntire, Kasie Savage. Nathan Savage, James Savage, Thad Baum, Tayler McDaniel, Sarah Ball, Lila Allstott and Dave Allstott.

INVOCATION

Pastor Harley Jeffers of the Pilot Rock Baptist Church gave the invocation.

PLEDGE OF ALLEGIANCE

AGENDA CHANGE

Mayor Carnes announced that there would be a change in the agenda order due to Councilor Alderman needing to leave early and an action item that has come up that is not on the agenda.

LETTER OF INTENT

Bill Woodfin appeared before the Council to introduce Viktor Klimenko, his son Roman and Michael Shkrumelyak. Woodfin stated that they are present tonight to sign a letter of intent regarding the Masonite property. Woodfin stated that Klimenko's business partner Anthony Bushong was unable to attend tonight, Anthony is planning on moving here with his wife and family.

Woodfin advised that there are two minor changes to the contract that they would like to address, the first being on the first page item 3 on Rent, they would like to insert somewhere that the \$90,000 Performance Bond goes away if they exercise the option to purchase in the first year. The second item is on 21 a) Default page 7 they feel this is not applicable because that is what the Performance Bond is for.

Standley wanted to clarification that the \$90,000 leaves the day that the \$250,000 is paid. Woodfin agreed.

On a motion by Baleztena and seconded by Kirk the suggested changes to the contract were approved. All members present voted yes.

The letter of intent was signed by Mayor Carnes and Viktor Klimenko.

Mark Street asked what type of business will be going in. Woodfin responded that for now it would be a millwork type plant using cutting edge technology.

F-2. ADOPTING BUDGET AND CHANGES FOR FISCAL YEARS 2010-2011

There are some more changes to the 2010-2011 Budget, due to cash carryover estimates. Resolution # 512 adopting the budget reflects the following changes. Carey stated that the main changes are in the cash carryover.

On a motion by Baleztena and seconded by Lankford the Council approved the budget changes presented by staff and adopted Resolution No. 512, a resolution adopting a budget, making appropriations and levying taxes. All members present voted yes.

BIKE PIT MASTER PLAN PRESENTATION

Pilot Rock OHV Board Vice Chairman Mark Street introduced Ted Isbell, an architect from CSHQA in Boise to the Council. CSHQA is the firm that was selected to work on the Bike Pit Master Plan.

Isbell presented Phase I and Phase II maps, fundraising and maintenance plans to the Council. The complete Master Plan includes dirt bike, ATV and UTV tracks, spectator seating, concession buildings, landscaping and water line plans, restroom and shower facilities, RV Park, indoor and outdoor arenas, 3-D archery range, softball fields, 9-hole golf course and more. See attached Master Plan Documents.

Isbell stated that Phase I of the plan is the first phase that includes the property that is scheduled to be deeded to the OHV Board. Phase I is the motocross focused portion of the plan, and Phase II is economic development driven with a dual purpose for OHV type uses.

Isbell advised that the OHV Group wanted to put together the Phase II portion to be able to go out for funding to acquire additional land; they wanted to be able to show what they would do with the land if they were ever able to obtain it.

Taylor wanted to know how the amount of Phase I is 59.6 acres if the Council is only obligated to deed 32 acres.

Isbell stated that the Mt. Judy acreage is not usable. Draper stated that the agreement was to deed the property inside the existing fence line.

Mary Lue Slabik also questioned the amount of acreage, and that the original agreement was set at 32 acres.

Standley stated that the amount isn't written in concrete, that is what changes and motions are for, 32 acres is what has been committed too but if they need 5 more, or 7 more, or 10 more that's what we are here for is to discuss it, have to maintain some flexibility, anyhow he is waiting for the 501(c)(3).

Councilors Standley and Snively stated they would like to see a separation of City Staff from the OHV Board.

APPEARANCE OF INTERESTED CITIZENS

John Taylor requested that Steve Draper update him on the Street Paving Project. Draper stated that Pioneer Construction is scheduled to be out by the last week of this month to finish up. Taylor asked if that included the sidewalks. Draper stated that he wasn't sure if they would be working on that this trip.

Taylor also wanted to know if the Street Project money was going to be spent in the next year. Carey stated that she would go over that when the bills are approved.

Bruce Hilde addressed the Council and submitted a photo regarding the area around his property at 235 E Main and the Pilot Rock High School. See attached. Hilde stated that over the years the school has added on and paved outside of ORS's regarding storm water containment, and if nothing is done, at some point this room will be nothing but mud 6" deep. The last storm created a waterfall on Alder about 10' wide and 2' deep.

Hilde claims that construction equipment at the school crushed the culverts that are supposed to contain water in the ditch. Hilde is requesting that the Council put something on the Agenda to contain the water on that hill.

Councilor Standley stated that there should be square footage requirements, and that he wasn't sure if the City's planning and zoning are updated enough to catch up with the newer requirements. City Recorder Carey replied that the City does the zoning part; the rest would be State Building Codes.

F-3. CONTINUE UTILITY RESERVE FUND

The Utility Reserve Fund has been established to set money in a reserve fund for a specific purpose. This fund is overdue to be extended. The funds can only be used for water and sewer. There is a \$2.50 fee on each utility bill that goes directly into the reserve fund. Resolution No. 513, is a resolution that would continue the establishment of the Utility Reserve Fund.

This money was used when the both wells went out. The funds were available to immediately repair the wells, which cost approximately \$50,000.

City Recorder Carey stated the Utility Reserve Fund has been established for a long time, this is just to re-establish it at the same amount of \$2.50. Carey stated the money can only be used for a specific purpose in the water and sewer funds, and Resolution No. 513 will spell that out.

Councilor Standley wanted to know the current balance of the Utility Reserve Fund. Carey stated that there is there is \$129,468, however \$117,000 will be transferred by resolution this month for the loan to the water project, leaving about \$21,700.

Councilor Snively asked City Recorder Carey what the largest amount that has been spent out of this fund in previous years, not counting what has been spent on the water project.

Carey stated that it was back when both wells went out; the cost was \$50,000 however now the cost would be closer to \$75,000. Carey also stated that if the money hadn't been in this fund the City would have had to borrow a lot more than \$250,000 for the water project.

On a motion by Standley and seconded by Lankford a moratorium was placed on the Utility Reserve Fund for a short term of a year or two until funding for \$6 surcharge has been secured to offset the cost to the constituents. All members present voted yes.

Councilor Standley stated that we have just put in a ½ million or ¾ million water system in, so the only risk is pumping and we have enough to cover that or we can make payments if we lose a pump.

Recorder Carey advised the Council that without this fund the \$50,000 in the budget they just adopted would be closer to \$20,000.

Recorder Carey also stated that she had tried to get Steve Draper before the Council voted, because she felt that he might have some more input for the Council.

Councilor Standley replied that Steve has more things do or he could have been here, it was on the agenda.

F-4. WATER PROJECT RATE INCREASE

The Budget Committee approved the proposed budget that had the \$.50 rate increase for the water project fee included in the budget. This fee will sunset when the all the costs of the water project are paid in full. Staff's recommendation is that the City Council approves Resolution No. 514, a resolution increasing the water project by \$.50.

On a motion by Standley and seconded by Baleztana the Council approved Resolution No. 514, a resolution increasing the water project by \$.50. All members present voted yes.

F-5. SEWER RATE INCREASE

The Budget Committee approved the proposed budget that had the \$.75 rate increase for the sewer fund, included in the budget. The sewer rate has not been increased for 2 years. Staff's recommendation is that the City Council approves Resolution No. 515, a resolution increasing the sewer fee by \$.75.

Recorder Carey advised that this has been proposed by the Budget Committee and adopted with the budget and that this resolution is to reflect those changes. Carey also stated that the reason for this increase, as was explained in the budget process, we reduced water and sewer expenditures, but in the sewer we are spending more than we are bringing in. Sooner or later we are going to run out of money.

Councilor Snively wanted to know how much of an increase there has been this last 24 months compared to the previous 24 months. Draper replied that it was about 20%.

Councilor Standley stated that the thing that he has learned in the last six months is that there hasn't ever been a budget committee, school board or government body that has ever learned how to cut a budget. We are learning to cut one now, we are going to start making cuts and we are going to keep cutting our expenses until we are living within our means. Standley also stated that this could have been done in the budget process, but he doesn't think that we exercised the proper judiciousness then, and in order to maintain public safety we are going to have to make cuts. We have not cut any part time help yet, this is just a start.

City Recorder Carey advised that staff has made several cuts, that they had reduced the sewer by \$17,852.

Loraine Greene stated that she would like to recommend that the City go back to 7 full time in employees because the revenue is back the amount it was in 2002.

John Taylor stated that the Sewer amount that was carried forward, took in \$10,301 spent \$10,416 so this month we lost in the sewer.

Recorder Carey stated that it is showing there that we are spending more than we are bringing in, that is why staff proposed the rate increase. All staff is doing is budgeting for operating costs, and now that we don't have any Utility Reserve funding, there is not any money being set aside for depreciation of your system. Just last week we had a sewer clog, and it happens throughout the City several times a year.

Councilor Standley asked if the Utility Reserve can take care of that. Carey stated it would depend on how many there are during the year. We are not setting aside funding for this and the sewer system is how old?

John Taylor stated that this is a philosophical question that would probably never be answered. Is it better to put money away or is it better to have a line of credit to pick up the difference if you have a problem and budget the next year.

On a motion by Standley and seconded by Snively the Council did not approve Resolution No. 515 and postponed for 1 year. All members present voted yes.

F-6. RECEIVING STATE REVENUES

Each year the Council, by motion, approves an Ordinance declaring the City's election to receive state revenues. This is required by the State in order to receive state revenues, such as state revenue sharing money.

On a motion by Lankford and seconded by Kirk the City Council approved Ordinance No. 543, an Ordinance declaring the City's election to receive state revenues and declaring an emergency. All members present voted yes.

On a motion by Standley and seconded by Kirk the City Council approved the second reading of Ordinance No. 543, an Ordinance declaring the City's election to receive state revenues and declaring an emergency. All members present voted yes.

G-1. DEPARTMENT REPORT

Recorder Carey stated that she would like permission to take a week vacation in August.

On a motion by Standley and seconded by Lankford the Council approved Jackie Carey's week vacation in August. All members present voted yes.

Recorder Carey advised that Pioneer Construction's bill is in the bills, she has sent in the reimbursement form to the State but we have not received it yet. Carey would like to request that Council approve the bills, but the check won't be cut until we receive the money from the State. If we receive it after the end of June we will have to do a supplemental budget.

Councilor Standley wanted to know what was purchased at State Surplus. Draper stated that he purchased some hand tools and some 6" gate valves that we use in our system. The valves usually cost around \$425 or \$450, he was able to get them for \$50 each.

John Taylor and Councilor Lankford wanted to know the total spent at State Surplus. Draper replied that we haven't got the final bill yet.

NOTARY FEE

Recorder Carey advised the Council that staff would like to start charging a fee of \$5 for notary services. This would generate another \$1000 into the general fund. Carey would like to request that Council take action on this fee at the next meeting.

Councilor Snively wanted to know how many are done in a year. Carey replied it varies each year but this year there were approximately 200.

H. CONSENT CALENDAR

Councilor Kirk wanted a clarification on the June 1, 2010 minutes on page 5, she would like it to state: in regards to the Hinkle Easement.

John Taylor asked that his questions be included in the minutes.

Carey requested permission from the Council to respond to questions from citizens in writing.

Councilor Snively stated that this is a good idea.

On a motion by Snively and seconded by Lankford the Council approved entering John Taylor's questions into the minutes of the previous meeting. Standley, Lankford, Snively and Kirk voted yes. Baleztena voted no.

On a motion by Kirk and seconded by Lankford the Council approved the Consent Calendar with changes. All members present voted yes.

Kim Bedard asked for clarification regarding Recorder Carey's request to address citizen's questions in writing.

Councilor Standley stated that it would be appropriate for this to become policy, as to help with time management that Council or Staff should address questions that are not part of the agenda in writing.

I. COUNCIL COMMENTS

COUNCIL EXEMPTION WATER & SEWER RATES

A motion by Snively and seconded by Kirk they proposed to cut the entire amount that the Council and the Mayor are exempted from paying water and sewer rates. Snively voted yes. Kirk, Lankford and Baleztena voted no. Standley abstained.

Baleztena stated that this is a volunteer position, but it is a nice perk for all the time and research. This isn't just a two hour every other week job.

Councilor Lankford requested that Councilor Standley provide some background information.

Standley stated that when it comes to the point when people feel you don't deserve it or the money is needed to balance the budget. The Council jobs are a 20 to 30 hour a month job. Standley also stated that he didn't feel the water or the sewer fee was a big deal, and the reason why they keep it is as a thank you to show gratitude. Standley also stated that some people think that Council jobs are a show up two nights a month and go home job. Being on the Council is a full time job with liabilities.

Councilor Lankford stated that she would like to know if any of the people who are asking them to give it up have ever sat on the Council.

Jim Carey stated that he has sat through many Council Meetings over the years, and he has seen all that the Council has to put up with, that he is for the Council getting the money. It is almost an insult and it puts Council in an embarrassing position to have to fight for the principle of it and he thanks the Council for the job that they are doing.

John Taylor stated that in the interest of being a prudent City, the City has to look at all sources and if it isn't that much it shouldn't bother them much. Taylor also stated that he would like to see the employees have to pay the water and sewer rates as well.

SELLABLE PROPERTIES

On a motion by Kirk and seconded by Snively the Council instructed staff to bring a list of sellable properties to the second meeting in July. All members present voted yes.

POLICE DEPARTMENT FUNDING

On a motion by Lankford and seconded by Standley the Council instructed Staff to work with Council to come up with alternative funding options for the \$6 surcharge and researching the time limits for possibly putting it on the November ballot. All members present voted yes.

EAST MAIN STREET WATER RUNOFF

On a motion by Kirk and seconded by Lankford the Council instructed staff to look into the Hilde situation regarding water runoff and report back at the next meeting. All members present voted yes.

BUDGET REDUCTIONS

Recorder Carey prepared a document for Council showing the Department Head's reductions to the Budget. Carey stated that they decreased the General Fund by \$175,722, State Tax Street \$76,388, Sewer \$17,852, Water \$37,480 and Library \$3,711. Carey advised that the Department Heads worked hard to make significant decreases and that these funds are property tax or user fee driven.

F-1. JOB DESCRIPTIONS

On a motion by Kirk and seconded by Baleztena action item F-1 Job Descriptions was tabled until the next meeting. All members present voted yes.

ADJOURNMENT

On a motion by Baleztena and seconded by Snively the meeting was adjourned at 9:15 PM. All members present voted yes.

APPROVED _____

ATTEST _____