

**MINUTES OF THE CITY OF HEPPNER SPECIAL CITY COUNCIL MEETING
HEPPNER CITY HALL, 111 N. MAIN STREET, HEPPNER, OREGON
7:00 PM, 20 June 2011**

NOTE: Where stated "Motion Carried" is considered unanimous, unless otherwise stated.

ATTENDEES:

**Mayor, Les Paustian
City Manager, David De Mayo
Cindi Doherty
Judy Buschke
John Bowles
Keith Lewis
Cody High
Rusty Estes
David Sykes, Heppner Gazette**

Absent: Brian Harmon, Phillip Spicerkuhn

1. GENERAL BUSINESS.

A. Call to Order. The June 20, 2011 Special Meeting of the City of Heppner City Council was called to order at 7:00 PM by Mayor Paustian.

B. Pledge of Allegiance. Mayor Paustian led attendees in the Pledge of Allegiance to the Flag.

2. PUBLIC HEARINGS.

A. Public Hearing, City of Heppner 2011-2012 Budget and Use of Revenue Sharing Funds.

Public Hearing Opened at 7:01 PM.

Testimony – None.

Public Hearing Closed at 7:02 PM.

3. COUNCIL ACTION.

A. OLD BUSINESS.

1) HUD Property, 160 S. Court Street.

Discussion: This is the property that the City has acquired through HUD. Mr. De Mayo stated that he would like to get this property back on the tax rolls to bring in revenue, and also make the property livable. Mr. De Mayo has prepared a questionnaire for potential buyers to complete. He would then present these to the Council at an Executive Session and then rank them as they would see fit. According to Mr. Paustian, the form would be submitted to the Council for questioning. The Council could sell the property to whoever they select. The City is not expected to carry a contract on the property. Mr. Paustian stated that the qualification of buyers needs to be considered. Mr. Lewis feels that the property should be advertised and allow people to view the property, and then make offers. Mr. Paustian's opinion funds should be paid when the house is sold.

Mr. Sykes has agreed to list the property for sale. According to Mr. Lewis, the bank would determine the buyer's ability to pay for the property and repairs. According to Mr. Bowles, the buyer would be the one to provide financing. Mr. High wonders why the application of interest developed by Mr. De Mayo is necessary. As a Realtor, Mr. Sykes would handle the marketing. Mr. Paustian suggested that the listing period be for 60 days. Mr. De Mayo stated that the property has been appraised at \$48,000.

Mr. Sykes explained the listing process. In his opinion, the process could take more than 60 days. Mrs. Doherty thinks this should go through the listing process with a real estate Broker. Mr. Paustian thinks the City should be the final decision-maker on a sale. Mr. Sykes suggested reviewing the HUD documents and stated that the City needs to specify a price and ensure that the City follows legal guidelines for a HUD sale. Mr. Bowles would like the advertising to state the appraised value. Mr. High recommended that a minimum bid amount be stated. Mrs. Burlison thinks \$30,000 should be a minimum bid. Mrs. Buschke would to put the house on the market and receive offers. The City always has the opportunity to make counter-offers.

Action: Motion by Mrs. Burlison to allow Mr. Sykes to handle the listing and if there are offers to present them to the Council for approval . Seconded by Mr. Lewis.

Discussion: Mr. High wondered about the period of the offers.

Amendment to previous motion: Mr. High moved to amend the previous motion to include that any offers would be presented/approved at the next regular Council meeting until a reasonable offer has been accepted. Seconded by Mrs. Doherty. Motion Carried.

Motion by Mrs. Doherty to authorize the City Manager to sign the real estate listing agreement with Sykes Realty. Seconded by Mr. High. Motion Carried.

B. NEW BUSINESS.

1) Resolution No. 789-11, A Resolution Establishing the Pay Range Policy for Employee Compensation for FY 2011/2012 (Certification Pay is Not Included).

Discussion: Mr. De Mayo explained that this is a requirement for each budget year. The amounts that are changed reflect the Cost of Living allowance based on the figures provided by the Local Government Personal Institute (LGPI). Merit/Incentive pay was discussed by several Council members. Council members agreed that the policy was confusing. Mr. De Mayo stated that he has been revising the personnel policy which will be discussed at a Personnel Committee meeting in the future.

Action: Motion by Mrs. Buschke to approve Resolution No. 789-11, A Resolution Establishing the Pay Range Policy for Employee Compensation for FY 2011/2012 (Certification Pay is Not Included). Seconded by Mrs. Burleson.

Opposed: Lewis

Abstained: Doherty.

Approved: Buschke, High, Bowles, Burleson

Motion Carried.

2) Motion by Mrs. Doherty to approve Resolution No. 790-11, A Resolution Declaring the City's Election to Receive State Revenues During Fiscal Year 2011-2012. Seconded by Mr. Lewis. Motion Carried.

3) Motion by Mr. Mr. High to approve Resolution No. 791-11, A Resolution Authorizing the Morrow County Treasurer to Invest the City of Heppner Funds Pursuant to ORS 294.035, ORS 294.124 and Other General Authorizations. Seconded by Mrs. Doherty. Motion Carried.

4) Motion by Mrs. Buschke to adopt Resolution 792-11. A Resolution Adopting the City of Heppner Budget for the Fiscal Year Commencing July 1, 2011 Making Appropriations, and Imposing and Categorizing Taxes. Seconded by Mrs. Burleson. Motion Carried.

Discussion: In answer to Council's questions, Mayor Paustian announced that the County Court has not provided official notice on the County Road Tax. However, the Court has agreed to give back \$50,000 to the 5 cities in Morrow County. This is in addition to the amount allocated this year which is one half of the amount allocated last year.

4. Additional Discussion.

1) Personnel Committee. A meeting will be scheduled to discuss personnel issues.

2) GEODC Agreement.

Action: Motion by Mrs. Doherty to authorize Mr. De Mayo to sign the Agreement with GEODC forming the Northeast Regional Housing Fund to manage the recycled Community Development Block Grant funds. Seconded by Mr. High. Motion Carried.

5. Adjournment. Meeting adjourned at 8:02 PM.