

**MINUTES OF THE CITY OF HEPPNER CITY COUNCIL MEETING  
HEPPNER CITY HALL, 111 N. MAIN STREET, HEPPNER, OREGON  
7:00 PM, December 14, 2009**

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

**ATTENDEES:**

**Mayor, Les Paustian  
City Manager, David De Mayo  
Judy Buschke  
Cindi Doherty  
Keith Lewis  
Joann Burleson  
Samarra Van Doorn**

**Sgt Randy Rayburn, MCSD  
Fire Chief, Rusty Estes  
Anne Spicer, City Attorney  
Brian Harmon, Public Works**

**Absent: John Bowles**

**Members of the Public: David Sykes, Heppner Gazette  
Brad Baird, Anderson & Perry Associates  
Rick Stoddard, Barnett & Moro  
Nancy Gochnauer, Bucknum’s Catering  
Sheryll Bates, Heppner Chamber of Commerce**

**1. GENERAL BUSINESS.**

A. Call to Order. The December 14, 2009 meeting of the City of Heppner City Council was called to order at 7:00 PM by Mayor Les Paustian.

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

C. Announcements – Agenda additions and deletions None.

D. Correspondence. None

E. Public Comment. None.

**2. COMMUNICATIONS FROM THE PUBLIC. None.**

**5. PUBLIC HEARINGS. Public hearings will be held prior to approval Consent Agenda due to travel of individuals giving testimony.**

**Public Hearings opened at 7:02 PM.**

1. Anderson-Perry & Associates, Inc. Brad Baird, P.E., President, Subject: Wastewater Facilities Plan Update and Related Services.

Discussion: Mr. Baird distributed the draft facilities plan update contract for Council review and provided information on the update of the Wastewater Facilities Plan Update. This is a study that the City of Heppner is undertaking to study the City's wastewater system. The study will look at current and future needs for a 20 year period. This will update the existing facilities plan for the wastewater system.

This is a document that the State controls and is basically primarily focused on the treatment plant, but will cover the whole system. The City has received a technical assistance grant from Oregon Business Development Department which will cover most of the cost.

Completing the plan will be necessary to document the cost for any future improvements and is a requirement for State and Federal funding applications.

There are two key items required to begin a study:

1. Population Projection, Figure 2-2. This is historical data which shows the population from 1970 until the current date and is based on information PSU. The current figure is quoted as 1425. Projected growth is based on either 0.5% per year or 1.00% per year. This figure is one of the key decisions for the update. The Council can review this information before making a decision. Mr. Baird stated that the 1% figure appears to be high, and .5% could be more realistic. The figure is required as a basis for the study. The study will look at the wastewater flows right now and project for future development. This will determine whether the plant can handle future development, and what is necessary to handle future needs. Over-projecting is hard to justify to funding agencies.

2. Area to Serve. According to Mr. Baird, this should be easy. He provided an aerial view of Heppner which shows the City proper, along with the Urban Growth Boundary (UGB). The service area needs to be determined. There appears to be a lot of area that can be expanded, and he doubts that the current UGB will be annexed in the next 20 years.

These items should be set prior to starting a study.

The best way to do these studies is through work sessions outside of regular Council meetings. These are critical. Two work sessions are usually required, and they will work closely with the Staff and City Manager.

A schedule for the project is based on the funding schedule and should take approximately one year.

Typical funding requirements. Currently, grants are getting hard to find, although this year they are more available due to the stimulus funds. All agencies have average water/sewer rates that are required before grant funds can be awarded. Typically, these are based mainly on a State average of a \$45-55 range per user which is quite high. OBDD has a formula based on 1.40% of your median household income which is currently \$41.22 per month. If you choose to do improvements, you would request funds based on the size of the improvements. Rural Development, a federal agency, is in the \$48-52 range. A loan has to be approved prior to receiving a grant.

Current financial information about the City. The current sewer rate is \$23.10 with 690 connections. This would be roughly an \$18.00 increase to bring the fee up to \$41.00. Based on a 5% @ 20 year loan the City could afford a \$2-3 million loan for a future project.

Mr. Baird has provided an updated agreement for signature. Mr. De Mayo stated that one of the purposes of the facilities plan is to identify weaknesses and what is needed in the future.

The first work session is scheduled for January 19, 2010, at 7:00 PM at City Hall.

Engineering Agreement. This agreement follows the procedures and scope of what agencies require for studies. The fee set is \$25,000 and is only for the study. This is the grant amount. Mrs. Spicer reported that Kuhn & Spicer has examined the agreement and they have some concerns about services requested on Pages 3 and 4. According to Mr. Baird, these have been removed since they are not part of the technical assistance grant.

Action on the contract will be taken at the January 2010 Council meeting.

2. 2009 Audit Report, Rick Stoddard, Barnett and Moro.

Mr. Stoddard summarized the audit report. The report covers the year ending June 30, 2009. Financial statements were audited and a report was issued. The report was unqualified which means that the financial statements were fairly presented in all material respects.

The City provided services, i.e., water, wastewater treatment, added equipment of approximately \$104,000, paid debts, not including those refinanced with the Sr. Center of approximately \$213,000, and ended the year with almost as much cash as it started.

Two items were noted:

a. Accounting duties should be separated. This is mentioned each year. In a small office there are not many people to separate the accounting duties between. In an ideal situation, the custody of cash should be separated from the recording of accounting transactions. Custody of cash could be a problem.

b. Budgeting. This year, the City over-expended one budget line item to approximately \$250. They looked at purchase procedures. Purchases over \$5,000 should go out for bid. Mr.

Paustian commented on the staffing. He feels that the people taking care of the cash are monitored by the City Manager.

Mr. De Mayo observed that a resolution to pay the bills is not required. The only requirement is that the bills are reviewed. This will be effective immediately.

Public Hearings closed at 7:30 PM.

### **3. CONSENT AGENDA.**

- A. Minutes of City Council Meeting, November 9, 2009.
- B. Resolution Approving Accounts Payable for Payment. No longer required.
- C. Monthly Financial Statement.

Action: Motion by Mrs. Buschke to approve the Consent Agenda. Seconded by Mrs. Burlison. Motion Carried.

### **4. REPORTS.**

- A. Fire Chief. Chief Estes reported the following:

November was the lowest month response-wise for the fire department. They assisted the ambulance once on a lifting and one false alarm at the Sr. Center when the power went out. There were 17 chief calls. Brian Harmon was awarded Fire Fighter of the Year.

- B. Morrow County Sheriff's Department.

Sgt Rayburn reported that November was a slow month with only a few thefts. This is possibly due to the cold weather.

Sgt Rayburn discussed the transfer of a Dodge Durango instead of a Ford Crown Victoria. They would rather wait until one of the Durangos is available, or transfer a pickup instead of a sedan on the rotation. Sgt Rayburn will discuss this with the Sheriff and Undersheriff. This would be more beneficial to the City than a sedan. The pickup would come from general patrol use. Sgt Rayburn would like to get a patrol pickup. This would eventually allow the City to update their fleet. Council members requested that Sgt Rayburn discuss this with the Sheriff.

- C. Housing Authority.

Mrs Buschke reported that there are still two vacancies in the Senior Apartments. Paperwork is being done on potential tenants.

The renovation project still has not been closed out. Mrs. Rex is working on this.

- D. Public Works.

Mr. Harmon reported the following.

DEQ is performing the mixing zone study and is not part of the facilities plan.

Mr. Harmon has developed a plan of action and what is needed during a major snow event.

Mrs. Burleson asked about the cost of replacing a flow meter. Mr. Harmon has ordered one today at a cost of \$2700 +/-.

Dan Doyle will be hired as a full time employee as of January 1, 2010.

There are approximately 150 meters that still need changing out.

There were several frozen meters during the current cold weather. The flow through the water lines is constant. Currently, there have not been any problems with lines frozen on the bridges. Some of the insulation will need to be replaced eventually, but is expensive. Mr. Harmon will monitor this.

#### E. City Manager's Report.

Mr. De Mayo reported the following:

The Council needs to approve the updated Strategic Plan which was provided to the Council last month.

With regard to the Anderson-Perry contract, Mr. De Mayo recommended that the Mayor sign the contract and Mr. De Mayo attest the signature as City Recorder.

Deferred Compensation Plan. According to Mr. De Mayo, all the employees except one are in favor of First Investors, rather than Nationwide Retirement Solutions.

Action: Motion by Mrs. Burleson to authorize Mr. De Mayo to proceed with actions to generate a contract with First Investors after the City Attorney reviews it. Seconded by Mrs. Buschke. Motion Carried.

Supplemental Budget. Funds will be transferred from the General fund Contingency to make the December 2009 payment. This was a technical issue after the last budget process.

The City has purchased a used truck and Mr. Harmon is pleased with the acquisition. The cost was \$5,000 +/- and was purchased through the State Surplus Property. Several office chairs will be purchased. Council members suggested the possibility of a future purchase of a Council table. Mr. Harmon commented that the property for sale is very good quality.

Hager Park. Mr. De Mayo reported that work is moving forward on the restroom. A representative from CXT briefed the Beautification/Parks & Lands Commission on the structure last week. The National Guard has been contacted to do work on the park in 2012-2013. Mr. De

Mayo has talked to the Corps of Engineers and before the week is out, the request will be submitted, to erect the restroom on the Little League park leased from the Corps.

Project Status. The Barratt Blvd, pedestrian bridge, etc. They are trying to get this on the ballot to repeal it. The AG has rejected the item and this will be re-submitted to the AG for a second opinion.

The crime house ordinance from the City of Pendleton has been discussed with the City Attorney. The process is quite expensive.

Mr. De Mayo is working on Chapter 11 of the City Code. This will be discussed at the next Council meeting since this will be completed. At that time, a decision will be needed to see if work should be continued on collating the code.

City Manager's Evaluation. A draft has been provided for Council Review and discussion. Mrs. Buschke would like some changes. Page 1: Would like to see Para A evaluated separately, under A-4. She would like this rated, Excellent, Satisfactory, or Needs Improvement. Mr. De Mayo's evaluation is due on 31 December 2009. However, this can be done in January if Council agrees. Mrs. Burluson stated that this cannot be done until after Town & Country, 13, 14, and 15 January. A date will be set after the next Council meeting on January 11, 2009.

## **6. COUNCIL ACTION.**

A. Approve Resolution No. 763-09, A Resolution Authorizing the Additional Transfer of Funds to Enable the City to Make a Payment Due December 2009 to the Oregon Business Development Department (OBDD) for the Water Improvement Project (Loan No. S03008).

Action: Motion by Mrs. Buschke to Approve Resolution No. 763-09, A Resolution Authorizing the Additional Transfer of Funds to Enable the City to Make a Payment Due December 2009 to the Oregon Business Development Department (OBDD) for the Water Improvement Project (Loan No. S03008). Seconded by Mrs. Doherty. Motion Carried.

B. Old Business.

1. 457 Financial Plan. Handled previously.
2. Approve Heppner Strategic Plan for 2009-2014.

Discussion: Mrs. Bates reported that this plan will be eventually incorporated with several other area community plans. Karen Kendall, GEODC has been assisting with this project.

Action: Motion by Mrs. Burluson to approve the Heppner Strategic Plan as written. Seconded by Mrs. Buschke. Motion Carried.

3. Approval of Anderson-Perry Contract. This action was tabled until the January 11, 2010 Council Meeting to allow the City Attorney to review further.

## C. NEW BUSINESS.

### 1. Catering Bid for Randy Sample Retirement Party.

Discussion: Mr. De Mayo reported that he has requested three bids, One from Dino's Catering, one from Bucknum's Catering; although Puddin on the Ritz was invited to bid, there was no response. The retirement party would be held at City Hall on December 28, 2009, after working hours (5:30-7:00 PM). Bids from Bucknum's and Dino's are as follows.

Bucknum's: Based on 30 attendees. All entrees are \$18.00 per person, includes set-up, take-down, dinnerware, utensils, and condiments as requested. Menu choices include: Three types of meats, three types of potatoes, three types of vegetables, rolls, and three types of desserts. If prime rib is desired, the cost would be higher.

Dino's Catering: Based on thirty attendees. \$11.00 per person. Meat: Steamship round, vegetable, salad, and cake. Same requirements as far as set-up, take-down, etc. No beverages were included.

Discussion: Mrs. Gochnauer (Bucknum's) pointed out that beverages were not requested, i.e., soft drinks, coffee, tea. Mrs. Gochnauer stated that they have decorated John's Place for a wedding that will be held the week before the retirement party. They would be glad to provide a no-host bar for the retirement party, if the City decides to hold the party in John's Place instead of City Hall. Mrs. Gochnauer invited Council members to tour the facility. The price for the dinner would not increase, plus beverages and a salad would be included in the price. Mrs. Doherty asked if attendees would be required to pay for their meal. Council members consensus was that attendees, except Mr. Sample, should pay for their own meal. Mr. Sample's meal would be covered by the City.

Mrs. Burleson asked if this would be a sit-down dinner. According to Mr. De Mayo, that is the plan. If the function is held at John's Place, it would be buffet style. Having Dino cater the function off site, possibly at the Senior Center, would be an increased cost for the use of the facility. Mrs. Gochnauer stated that she would need a head count a week in advance.

Decision: Council members unanimously decided to hold the dinner at John's Place with the menu including salad.

Action: Motion by Mrs. Burleson to hold the dinner at John's Place. Seconded by Mrs. Doherty. Motion carried.

Menu choice as follows: After lengthy discussion, members decided on Roast Beef, Twice baked potatoes, green beans w/almonds, salad, and banana cream pie for dessert. The cost is \$18.00 per person.

### 2. Approve 2009 Audit Report, Barnett & Moro.

Discussion: Mr. De Mayo reported that one item was overlooked last year, the City needs to put 10% in the reserve fund; this issue has been resolved and corrected in this year's budget.

Action: Motion by Mrs. Burleson to approve the 2009 Audit Report submitted by Barnett & Moro. Seconded by Mr. Lewis. Motion carried.

**8. REPORT FROM CITY ATTORNEY.**

A. Discussion of proposed crime house ordinance.

Mrs. Spicer stated that the City of Pendleton's ordinance is a good ordinance, but would need further research before any action could be taken for a Heppner ordinance.

**9. REPORT FROM MAYOR/CITY COUNCILORS.** None.

**10. ADJOURNMENT.** Meeting adjourned at 8:20 PM.