

**MINUTES OF THE CITY OF HEPPNER CITY SPECIAL COUNCIL MEETING
HEPPNER CITY HALL, 111 N. MAIN STREET, HEPPNER, OREGON
11:30 AM, JANUARY 21, 2009**

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

ATTENDEES:

**Mayor, Les Paustian
JoAnn Burleson
John Bowles
Samarra Van Doorn**

David De Mayo, City Manager

David Sykes, Heppner Gazette

ABSENT:

**Judy Buschke,
Cindi Doherty
Keith Lewis**

1. General Business

A. Call to Order. The January 21, 2009 special meeting of the Heppner City Council was called to order at 11:30 AM by Mayor Les Paustian.

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

C. Announcements – Agenda additions and deletions.

2. NEW BUSINESS.

A. Consider a Resolution Approving a Supplemental Budget for the Highway #74 (Court Street) Project Revenue and Expenses.

Discussion: Mr. De Mayo reported that the East Oregonian published the notice of a Special City Council Meeting but failed to publish the actual figures of the Supplemental Budget; however the Council could authorize the receipt and expenditure of funds using the existing budget line items and afterwards adjust the same at the next Council meeting. Mr. De Mayo explained to the Council that the Supplemental Budget was meant to address three issues: 1) Receipt and payment for engineering done for the Court Street Project performed by Ferguson Engineering, 2) Future engineering that will be done by Ferguson Engineering for the Court Street Project, and 3) Payment to ODOT for the \$10,000 that the City agreed to pay towards the

project. About three years ago ODOT asked Ferguson Engineering to assist in part of the design work for the Court Street Project. ODOT rules and procedures will not allow ODOT to directly “farm out” this work. ODOT can reimburse the City if the City pays an engineering firm to do this work (i.e., Ferguson Engineering). The City has received a check for reimbursement from ODOT for this purpose in the amount of \$38, 651.92. Mr. De Mayo has taken the check from ODOT to pay Ferguson and divided it up between the Water and Sewer funds. In addition, he has taken the \$10,000 that is owed to ODOT on the project and split it with \$2,500 to Water, \$2,500 to Sewer, and \$5,000 to Streets. He has also created a new line in Streets named ODOT Reimbursement and Court Street Project. He has added hypothetical revenue which has not been received. He has made places for the revenue and expenses so that if they are received, there is will be places for them.

According to Mr. De Mayo this includes a check for \$38,651.90 that is owed to Ferguson, plus \$10,000 owed to ODOT, plus possible future income as a slot holder in streets.

3. COUNCIL ACTION.

A. Motion by Mrs. Bureson to authorize the City Manager to pay Ferguson and ODOT. Seconded by Mr. Bowles. Motion Carried.

4. ADDITIONAL DISCUSSION (Not for Action).

A. Resolution Amending Resolution 731-09, A Resolution Ratifying Appointments to City Committees, Boards, Commissions, and Positions.

Discussion: Ms. Ployhar reported that the original resolution 731-09 contained a clerical error in the term length of positions on the Fire Department Advisory Committee, and needs to be corrected. The new resolution will correct the term length for this Committee from two years to four years as required. This will be submitted to the Council for approval at their regular meeting.

B. Bid from Larry Palmer to purchase surplus Publics Works Property (Utility Trailer) - \$50.00.

Discussion: Mr. De Mayo reported that during the January 12, 2009 Council meeting, the Council had authorized the City Manager to dispose of the excess property that was not sold for scrap metal. Council members agreed that the City Manager could dispose of the trailer to Mr. Palmer for his bid of \$50.00.

C. Kyle Robinson, Project Discussion.

Mr. De Mayo reported that the issue of locating the Secure Residential Treatment Facility on the Robinson property has been discussed further with Mr. Robinson. Mr. Robinson has informed the City that he will not pay for the extension of the sewer and water lines to his property. Furthermore, he will not pay Ferguson’s engineering costs. Ferguson’s engineering costs are \$3,000 for the water and \$3,000 for the sewer. Mr. Harmon’s estimate for the City is \$10,000

for materials, plus \$8,000 for labor which equates to a total of \$24,000 for the City's costs of \$18,000, plus Ferguson's engineering cost of \$6,000. Mr. Robinson has informed the City that he will not pay these costs. Mr. De Mayo stated that the Council needs to make a decision whether they will absorb the \$24,000 + cost. If the Council decides to pursue this, they need to determine the availability of funds.

Mr. Burluson asked about alternative sites for the facility. Mr. De Mayo stated he and Mr. Paustian have discussed the possibility of the De Zoete property which might be available. Mr. De Zoete has constructed a new home south of town and he has four acres that could easily be split if Mr. De Zoete chooses to do this. A road is already in that could be extended, an 8" water line and a 6" sewer line could be accessed. This is a preliminary option which would have to be discussed with the property owner. Mrs. Burluson feels that if the City decides to continue to work with Mr. Robinson, there will be more requirements from Mr. Robinson.

Mr. Paustian stated that he and Mr. De Mayo plan to meet with Rod Estes this week to discuss the project further.

According to Mr. De Mayo the original agreement between Robinson and the City was that \$8,000 would be paid. He has discussed this with Mr. Kuhn. The City code is very specific that the developer bears the cost of running the utilities to the property. The problem is that if the City makes an exception to do this, it would set a precedent for future actions.

Council members do not think an exception should be made.

Mr. De Mayo would like for him and the Mayor to approach Mr. De Zoete to discuss this further.

Mr. Paustian stated that they would hate to see the project fall through.

Mr. De Mayo stated that the Community Development Fund currently has a balance of \$9,900 which could be used if a compromise is desired, but he does not recommend this. This would have to be a Council decision. According to Mr. Paustian, the City cannot afford this. All previous developments required the owner to pay the full price for development.

Council members present did not recommend pursuing a compromise.

5. ADJOURNMENT. Meeting adjourned at 11:50 AM.