

CITY OF PRINEVILLE

MINUTES

December 11, 2007

The meeting of the Prineville City Council was called to order on December 11, 2007 at 6:30 PM in the Council Chambers at City Hall by Mayor Wendel. Present were Council Members Betty Roppe, Steve Ilk, Jack Seley, Dean Noyes, Steve Uffelmann, Gordon Gillespie and City Manager Robb Corbett.

Present representing the press media were Shelby Case and Kevin Gaboury of the Central Oregonian and Don Wood from The Hometown Radio Station.

The meeting was opened with the flag salute.

CONSENT AGENDA:

- A. Minutes of November 27, 2007 regular meeting.
- B. Approval of Liquor License for 7-11 Store (new owner).
- C. Renewal of Secondhand license for Neat Repeat (Sorooptimist).

Council Member Roppe moved to approve the consent agenda as presented. Council Member Noyes seconded and the motion passed unanimously.

WORKSHOP - PLANNING CODE REVISIONS: Senior Planner Scott Edelman reported the Council received a draft of proposed amendments to Chapter 153, Land Development, in the City of Prineville Code of Ordinances in their packets. These amendments are to change procedural language and will not affect the substance of the land development provisions.

The Planning Commission reviewed the original amendments proposed by staff in workshops held on October 16th and November 20th. After making several changes through discussion at the workshops, the Planning Commission held a public hearing on the proposed changes on December 4th. There were no members of the community who spoke in favor of or against the proposed changes.

Senior Planner Scott Edelman stated each of the proposed changes is intended to address one of the following procedural issues:

1. Eliminate inconsistencies among different sections of the development code.
2. Change the procedural language to be consistent with the actual procedures and policies by which staff has been directed to follow.
3. Avoid policy that conflicts with state law.
4. Reinstate language regarding enforcement of the development code that was accidentally replaced in a past code revision.

Council Member Seley suggested adding the word "minimum" on page 22, Section D, #3, second line to read side yard shall be a "minimum" of three feet.

After some discussion, it was decided to have another workshop on the Code Revisions to give the Council more time to review the document and address the changes.

Senior Planner Scott Edelman suggested the Council get any changes they might have to the Planning Department, prior to the next Council Meeting.

VISITORS, APPEARANCES AND REQUESTS:

Steve and Emily Holliday from Prineville Disposal presented a recycling program to the Council. Steve reported as the community grows to a population of 10,000, there are more regulations concerning recycling that must be met. Steve gave a power point presentation to the Council.

Steve and Emily gave an overview of their proposed recycling program for the residents of Prineville. The customer would receive a durable 95 gallon recycling cart and everything would be commingled into one cart and serviced every other week. This new program would require a rate increase of an estimated \$3.60 per month. They briefly reviewed the types of items that could be recycled and what preparation would be required.

Steve briefly reviewed the pros and cons of the proposed program and stated he feels the benefits definitely outweigh any negative impacts or the additional fee. There will be a charge of approximately \$3.60 for recycling, but those with the larger containers will find they may be able to downsize, which will more than cover the added fee.

Council Member Roppe questioned if citizens of Prineville would be required to use the recycling? If they cannot afford the increase, could they opt not to have the recycling?

Steve replied no they would not be able to. The reason for that is if you had garbage service right now, your rates for the program would be all over the board. It would probably be doubled, because as it is now we do not have every resident in town, they may be skipping every fifth or eighth house and if you do it that way, you may pick up one skip 10, then pick one up skip 5, your rates would be all over the place. All those costs, because you would still have to have the equipment and still have the person to do it, all those costs would actually be spread over fewer people, so cost per customer would go up because you have less people actually sharing in the cost of the program.

Council Member Roppe stated she believes there are times when people really watch what they have to pay and an increase of \$3.60 for someone to participate in the recycling, she believes is going to meet with some reaction.

Council Member Uffelman stated there is another aspect to that and that is if some people chose to not recycle, then ultimately all of us have to pay additional expenses because that means a greater impact of the landfill. We just have to bite the bullet and pay \$3.60, but some people will be able to downsize their primary garbage can sufficiently to offset the \$3.60 additional costs.

Council Member Ilk asked Steve if he had any idea, just a ballpark maybe, how many people currently go to the landfill to recycle?

Steve stated it is really hard to say. He knows that Crook County is actually losing recyclable material on a regular basis because people hold it and then take it to Bend. Then Crook County as a wasteshed, loses credit on that, because it is generated here but it recycled in Bend. Some do it simply because they are able to recycle the commodities that they are not set up to handle. There are a fair amount of people that do that.

Steve presented the rate comparisons among the four cities here in Central Oregon. He believes their rates are right in with the rest of the communities, considering that Redmond has mandatory service and we don't. We are still able to be very close to the same rates that they are, with less population to spread the rates over.

Steve reported he delivered 12 of these recycling units around town, including the Council Members as a test and in getting feedback, it was very well received and they felt it was worth the cost. This program is something customers have been requesting and it is easy to use, has a fair rate, it will help to extend the life of the landfill and it will continue to meet DEQ requirements. He would like to implement this program July 1, 2008.

It was stated the Council will hold a Public Hearing on the rate change and allow for public input.

Steve stated he will not be adding a cost of living increase for 2008, just the additional fee for recycling.

Mayor Wendel gave opportunity for anyone in the audience to address the Council on any matter they chose.

Fred Rodgers stated he has been a resident of the City of Prineville for sometime and has been involved in this community for a number of years. He now has the opportunity to travel a lot and he has noticed the garbage and recycling in different communities. The landfill management can be very costly. Mr. Rodgers encouraged the Council to pursue this recycling program.

Karole Stockton stated she was one of the testers and she found it to be very user friendly. She believes in recycling. She likes the idea of being able to adjust to a smaller garbage container per cost and that would make it more viable for people who like her would want to retire. She thanked the Council for looking at all the factors of this including the cost.

Sandra Seymour stated she is concerned about the size of the recycling can. It will not fit through her gate. Prineville Disposal no longer picks up from the alley, so she now has to drag her can clear to the front of her house. The size of the recycling can is a big concern to her and with this recycling can, she would have to go clear around the block and around and in the alley and back around every week with it to get it to the front of her house. She stated her concern is that people will be leaving these cans in front of their homes, so we will not have the clean community, which you referred to, but the junky community of all the garbage cans and recycling things and she

feels that should be well looked at. She is also upset about the fact that there was no hearings about having the garbage cans moved to the front of the houses in Prineville, because for years and years it has always been picked up in the alley and now she is stuck with dragging this thing to the front of the house. There are a lot of elderly people who live in this community who are not, even with wheels, able to drag a 35 or 65 gallon garbage can to the front of their house every week. She wants people to be aware of this. She does hope that they will still allow recycling items at the landfill as well as by the Prineville Disposal office.

Brenda Comini states she also was part of the testing process. She feels the recycling container is very workable. After watching the recycling process in Bend, she feels we are lucky to have skipped the 40 container model, where you put everything in separate containers. They are now catching up to this same process and it is working out very well for them. It is important to look at the recovery rate rise for us as a community, as we are growing as fast as we are. She feels it is important for us to pay attention to that and not get behind.

Mayor Wendel stated we will be holding a public hearing on the proposed recycling program at the next Council Meeting, which will be held January 8th.

DISCUSSION OF INTERGOVERNMENTAL AGREEMENT: Scott Smith from the Public Works Department gave a staff report on the Intergovernmental Agreement that was included in the Council packet.

Scott reported what has brought the issue in front of the Council tonight is a difference in design standards between the Public Works and Engineering Departments and the County Road Department. There is a 1,042' portion of North Main beginning at the northern edge of the intersection of Peters Road and North Main extending north. This portion is in the City limits on the East side and in the County on the West side.

This 1,042' section is legally under the jurisdiction of the County Road Master with the City approval of the McKay Meadows Development neither party, City or County, has been able to sign off on these plans, to allow the development to proceed, because of the differing design standards.

Scott reported the City staff, spearheaded by Ricky Sites, along with County staff, has reached an agreement that all parties feel is the best for the community. The County has agreed to let the City oversee and require the appropriate access management requirement along with the improvements this development will make to the North Main section adjacent to their property.

Although the County will still own this section of roadway, the City Public Works and County Road Department will share maintenance requirements as in the past. Once the west side of North Main is annexed into the City, this portion of road will then be transferred to City ownership.

Scott informed the Council that the City staff will not require McKay Meadows to construct curbs and sidewalks at this time. However, the developer will be required to bond for these improvements, which will allow the City to construct the

improvements as neighboring properties develop. This will allow a more consistent design of improvements.

City Attorney Carl Dutli stated before the City can get jurisdiction of the entire road, it has to be within the City limits and right now the City limits is right in the middle of Main Street/McKay and this was the easiest way to take care of the problem until we do another annexation. At that time we will annex in that half of the road.

Council Member Roppe moved to approve the Intergovernmental Agreement as presented. Council Member Seley seconded and the motion passed unanimously.

PUBLIC WORKS REPORT: Scott Smith stated he was asked to give a staff report in regards to the Crooked River Wetland project that the City of Prineville and ODOT are currently constructing.

Scott gave a quick explanation of the background of this partnership. The first Intergovernmental Agreement between the City of Prineville and the Oregon Department of Transportation was signed in November of 2003.

This partnership involves the construction and enhancement of wetlands on a 10 acre site that lies on the perimeter of a 352 acre piece of land that the City purchased in 2003 for the expansion of the Waste Water Treatment Plant. ODOT titles this project the Laughlin Road to Marks Creek/Crooked River Mitigation Project. The first construction began in February of 2005 and consisted of two phases. Phase I consisted of 4 acres of constructed wetland and was completed in February of 2005. Phase 2 physically connected Phase 1 to the Crooked River and also an existing French drain. Phase 2 was completed in October of 2006.

Both parties signed the second and current IGA in January of 2007. Project 2 consists of the construction of 6 acres and also will be completed in two phases. Phase 1 began on November 1, 2007 and is anticipated to be completed in January of 2008. Phase 2 is scheduled to begin in September of 2008 and be completed within a week.

ODOT has developed a 6-year budget for this project of \$349,133, so we can see by the City of Prineville being a partner in project, the City no only has wetland mitigation credits available for infrastructure projects but also may be able to use this project as mitigation for the reintroduction of salmon and steelhead. The agencies that have approved and signed off on this project are: National Marine Fisheries, U.S. Fish and Wildlife, Oregon Department of Fish and Wildlife, U.S. EPA, U.S. Army Corps of Engineers, Oregon Division of State Lands, Federal Highway Administration, Oregon DEQ, ODOT and of course the City of Prineville.

Scott stated that ODOT will be putting out a report to the media, probably in February and he wanted to bring the Council up to date on this project.

REVISION OF WRITTEN DECISION ON APPEAL OF SDCs ON AIRPORT HANGAR PROJECT: City Attorney Carl Dutli reported the written decision has been amended as discussed at the November 27, 2007 Council Meeting and included in the Council packet.

Council Member Roppe moved to approve the written decision as presented. Council Member Ilk seconded and the motion passed unanimously.

COMMUNITY BRANDING PROJECT: Executive Director of the Chamber of Commerce Diane Bohle reported the Chamber went through this branding process about 4 years ago. The process of selecting a brand, took approximately one and a half years, but it has been a very positive experience for the Chamber. The branding gives people outside our community a mental image of who we are. She feels it is time for this discussion of a community brand to happen. It is good for tourism and for Prineville's loyalty.

City Manager Robb Corbett stated he has been talking about doing this for several years and feels it would be a worthwhile project for the City's participation.

Ms. Bohle stated she feels it is important to obtain input from a lot of people, because this brand is what is going to make Prineville and Crook County stand out.

Mayor Wendel asked who was in charge of the branding project?

Bryan Iverson stated the Chamber will do the project if the City and County both participate. He briefly explained the branding process that will be used.

Council Member Gillespie reported that he participated in the previous process for the Chamber of Commerce and he is all for participating in this project.

Council Member Noyes moved to approve the request for \$2,500 for the branding project. Council Member Ilk seconded and the motion passed unanimously.

The Council asked to be informed of the meetings.

APPEAL OF SDC CHARGE BY STEPHEN ERB: Community Development Director Ricky Sites gave a staff report.

The City Council heard an appeal on the SDC fees for the Airport on November 13, 2007. With that decision, it was determined that SDCs for businesses would be reviewed separately.

In reviewing Stephen Erb's application for an aircraft upholstery business, it was determined that additional SDCs should apply because of the increased use of the building over that of just an aircraft hangar. Due to the type of use, this business was determined to be an industrial establishment.

Therefore, by Resolution No. 1059, Section (3)(c)(1) EDUs for water and sewer shall be calculated on a basis of actual water use, divided by the EDU quantity of 300 gpd or at a rate of 1 EDU per 9 employees or less or a combination of thereof. The actual water used is not known. Therefore, we default to number of employees. The last two sentences in Section 3, states "The minimum number of Equivalent Dwelling Units is one. Partial units will be charged as one (1) EDU", so 1 EDU for water and sewer was assessed. Mr. Erb was also assessed a traffic SDC under Section 5 at the rate equivalent to manufacturing, which is much lower than a single EDU.

Ms. Sites stated she believes the application here for appeal is to reduce this even further. They do not have that liberty in the way Resolution No. 1059 has been written, so this is all that they can produce for the SDC fee for this particular business.

The Staff recommendation is to remain consistent with the application of our SDC Resolution No. 1059. Staff would recommend upholding the SDC fees as calculated by staff and demonstrated in the calculations provided to the Council.

Stephen Erb stated he and his wife just recently started this upholstery business due to the fact that the other individual that has been doing it is getting out of the business.

He stated there is some very good potential at the Prineville Airport because the City of Redmond is not conducive to business and small business at their airport. They do not want it. They just want their air carriers, so you do have some very good potential there and you are headed in the right direction. He has attended a couple of the Airport Commission Meetings and has had some good discussions. He would say that the City needs to do a little bit of getting on the same page between the Airport Commission and the City Council. You have some good potential there to attract some business with some of the other developments going on.

Stephen stated his point is that he imposes very little impact. The last meeting he attended, the Council addressed water needs and yes, you do need to address water and sewer needs. He is just saying that he is going to impact it far less than even a home would.

He feels this needed to be addressed and settled even before the development was ever even started. From his conversations with the Airport Commission, they were under the impression that it was settled and now it is back open again. What is and what isn't going to be charged for SDCs and that really should have been addressed and settled prior to ever being here. Had he known ahead of time that he was going to be charged this, he could have put that in his budget and he would have known what he was going to have to pay. All of a sudden he gets his approval back from the City and they say, oh by the way, you owe \$10,470.09. Had he known ahead of time, it would not have been a sticker shock to him, but everybody he had talked to and communicated with had said no, you are not going to be charged or it will be a minimal charge. He had talked to the Airport Commission to get this information. They were under the impression that it had been settled. They did not have to have anything in writing, was the situation at that point.

Council Member Noyes stated there is a point of clarity on that. He knows in our last meeting they determined that because it was not a specific aviation hangar and that is why it is outside of that agreement and the Commission had that agreement. If they did not pass this on, then that would be an issue with the Commission.

Mayor Wendel stated he believes that is correct.

Mr. Erb stated he got involved in this about 1½ to 2 months ago and he believes they had had the meeting where it was decided what the City was going to charge, just after he got involved

with the Airport Commission, just after he signed the lease with them. Then the Council had their meetings and then at that point it was decided. In the minutes, he believes was two meetings ago the wording was "SDCs may be applied and possible application of further SDCs could be applied." That is where he is at this point, either settle it and say we are going to charge it or we aren't going to charge it and if we are going to charge it, then this is our rate structure.

The other point he wanted to make is to his opinion SDCs should be applied to the land owner. He is not the land owner. He is building a hangar on County property. He is willing to pay taxes and things due, but here again it goes back to the point if he had known ahead of time, \$10,000 is a sizable chunk of his budget to build a hangar. He has only been doing business for a year and a half and things are looking very well and he has some very good projections as far as his business going but \$10,000 is a sizable chunk of his budget for a place to do business. He is looking forward to doing business here and with the Airport and the City and that is where he is at.

Mayor Wendel asked him if his assumption was that if he was to build a hangar that he would not be charged an SDC. Stephen replied it was the first Airport Commission meeting that he attended that is what he was told and that was before the Council had their meeting. The second time he talked to them and he actually signed the contract, he was told there may be a minimal approximately \$1700 fee that they are going to charge all hangars. He is under the impression now that even some of those have been waived. He was told that the hangar that is going up now was not charged any SDC fees.

City Manager Robb Corbett stated he wanted to clarify for the Council that in your action at the last meeting, you assessed an SDC fee for the development of hangars at the Airport. You assessed that to the Airport Commission with the understanding that if a commercial business were to locate in that area, an SDC assessment may be made for that particular business going in, but based on everything being developed as airport hangars, the Council set an SDC fee of 1 EDU. He would suggest to the Council that the gentleman that built the airport hangar that is currently going up, that SDC was paid by the Airport Commission as a part of the 1 EDU assessment, that the Council made to them.

Mayor Wendel added or it is not a business or being used as a business. City Manager Robb Corbett agreed, that is correct.

Council Member Noyes stated we have an SDC fee for the 2" water meter and then any other application down stream, we charge another SDC on them? Then if the 2" water meter exceeds the volume usage on the EDU, then they have to separately to pay additional onto that. Then we have one fee on top of another fee, so it is kind of stacked isn't it?

City Attorney Carl Dutli stated he believes the agreement that was approved tonight, hopefully clarifies that and what it says is that "if the City charges an additional SDCs for uses in a hangar, other than airplane storage, that hangar shall be separately metered by and at the expense of the Commission and the water usage from that hangar shall not be contributed to the remaining hangars on the single meter, so long as they read the

separate meters and provides the readings to the City, so the City can bill that person separately.

Council Member Uffelmann stated in addition to that for clarification purposes, it wasn't general about airport hangars, it was about a specific 64 hangar project. Regardless of what things happen down the road in the future, we were specific about this one project for that one fee. If there were any non-airplane usage intended for the hangars, then that fell outside and triggered the use of SDCs.

Mr. Erb stated he believes that Council Member Uffelmann made a comment at the last meeting that there was a need to establish a structure and to not make that as precedence and he is not trying to make that as precedence. He is just simply saying had he known going in, it would have been a different story and he wouldn't be here because he would have known ahead of time. His comings and goings are going to be minimal at that hanger. It takes him 1-2 months to do an interior on an airplane, so that airplane is going to be parked in there for a month to two months. Quite honestly the hangar that is going up there right now is going to have more traffic coming and going than he will.

Mayor Wendel stated apparently from what you have talked about that you have looked at doing this at Redmond possibly.

Mr. Erb stated Redmond has no hangar space available and they don't intend to open any more hangar buildings. He is actually looking to move to Crook County or Prineville just because he is moving his business this way.

Mayor Wendel asked if Redmond charged SDCs. Mr. Erb replied that what he was told was the individual that did the development paid the SDCs. The individual hangar owners did not. He cannot say that to be a fact, he would have to do some research and find out.

Mayor Wendel stated the one problem he has with this is that he would think that it would be best for you or anybody to make sure upfront, documented, what all the fees are before they get into it. It is like building a house and not realizing at some point you need to have a building permit or electrical permit. Usually when people do that, they know those things are coming their way.

Mr. Erb stated he thought that he had. He had gone to the Airport Commission and they thought that they had it settled.

Mayor Wendel stated they are not the ones that issue the SDCs, we are. That is his problem.

Mr. Erb stated that is legitimate and he can understand that.

Community Development Director Ricky Sites stated she has nothing further to add. The Council has the entire staff report and it explains where we are. Her only concern is, at the last meeting, we were talking about don't set a precedence by the last decision. Again, if the Council decides to forego these SDC fees, she would then also ask that this is not a precedent because she is sure we will have more requests for commercial enterprise in the hangars.

Council Member Noyes stated for clarification for any business that comes in that would fall under this type of a deal. Say an automobile upholstery shop that wants to open up a business over off Gardner, they would be charged 1 EDU for that business, correct?

Ms. Sites replied that is correct. What they are trying to establish is the consistency of applying it across the board.

Council Member Roppe stated she does not know how we can get it across to the general public that any time they start building or any time a new business comes into town, they need to be coming to the City. For some reason, it doesn't seem to be happening. She does not understand why this gentleman did not come to the City before he ever started his initial building.

Ms. Sites stated she believes there is one issue here that might make it a little bit different in this particular situation and that is that our building permits are actually issued through the County, at the County offices and she believes that people probably get confused as to which office they should go to. Perhaps, one would think that the Airport Commission has the same level of authority as a city or county.

Council Member Uffelman stated in Mr. Erb's defense, he thinks that is legitimate. He went to a Commission. He asked them what the expenses would be. He was given a set of criteria that should be acceptable and should be reasonable business practice. He was given information only to find to the contrary that we really weren't on board with the Airport Commission and we hadn't settled our differences, but in all fairness he did feel he received adequate information to move forward.

Council Member Gillespie stated he has similar feelings to that and asked if the Commission keeps minutes? It would just be nice to know that they flat out said that or if they said something different that was taken wrong, he does not know. It would just be better if we had something like that.

City Manager Robb Corbett stated the Airport Commission does keep minutes.

Council Member Gillespie asked if we could check the Airport Commission minutes to see if that was actually said?

Mr. Corbett stated this could be checked out.

Council Member Noyes stated he just wanted to point out that the distinction here with the operating agreement or even if any of those discussions that they were talking about 2-3 weeks ago, surrounded an airport hangar not a commercial enterprise. The distinction was made, as it sounds to him, by the Commission to Mr. Erb and that really doesn't have anything to do with Council.

Council Member Ilk asked when a contractor goes to the County to get permits, does the County tell them they need to come to the City?

Ms. Sites replied "yes". They come here first and if they go to the County, they are sent here first to make the application. The land use application portion is done here in the City and the actual building permit area goes back over to the County.

Council member Ilk asked at what point to you tell the builder that an SDC is involved?

Ms. Sites answered when they come to apply for the permit.

Mr. Erb stated he was not told about an SDC when he picked up his application and submitted the application. He was not told there may be an SDC on this application.

Mr. Erb stated he is not a dwelling unit. He feels they need to come up with some means to develop loads. \$10,000 is probably going to take him 40 years to develop the much load on the City's water and sewer. He is going to make a pot of coffee and flush the toilet three or four times a day and that will be all the water he will be using.

Council Member Gillespie asked for a clarification on SDCs. That is really not what they are about, is it? It is not about how much people use. It is about getting the stuff to their front door.

Ms. Sites stated that is correct. It is the infrastructure that it pays for. The use fees are paid for by the monthly fees. The actual SDCs are attributable to the infrastructure that needs to be put in place. The SDCs are composed of water, sewer and transportation. There was some discussion regarding how this is calculated.

Mayor Wendel stated the SDC that we did for the Airport Commission was to cover for the 64 units, correct? Ms. Sites replied as airplane hangars, yes.

Mayor Wendel stated now we are looking at charging Mr. Erb another one for infrastructure that is already put in place. Ms. Sites stated that is correct.

Mayor Wendel stated at this point, he almost agrees with Council Member Noyes that is almost a double charge.

City Manager Robb Corbett stated what you are doing is you are using the agreement that you stated you are not going to set a precedent in referencing what is going to happen here. If you want to make an adjustment to policy as it exists today, that one thing. The problem is that we are operating under a policy that is currently in place and he does not know if we have latitude in terms of water. If the policy says that if you are below 1 EDU, by default you go to 1 EDU.

Council Member Noyes stated he believes there are two issues in this. One is the original agreement between the Airport having a hangar application and then this application. This kind of eradicates the other issue with the controversy that we went over on November 13th. The formulation for the SDC has always been a point of contention and controversy that you are going to pay as much for use of water as two stalls of a car wash. It is difficult to bridge the gap and logic.

Mr. Erb stated his point is that this was settled on November 13th.

Council Member Noyes stated the settlement there was between the Airport hangar application, not the business application within

a hangar. He believes that it is important to be specific about that and that it is a completely separate issue from this. The focus on the formulation is a different issue altogether.

Council Member Uffelman stated the direction that he is leaning towards at this point, is that from this information, he sees the responsibility of maintaining and providing the infrastructure through SDCs. Ultimately we will have to deny the application, but in the process we are going through in determining what future SDCs ought to be charged for hangars, if in fact, we should find that the hangar SDC is less than what we have, then Mr. Erb would certainly be due credit back for any difference in compensation if he paid more than the City ultimately chooses is appropriate for SDC fees for a hangar.

Ms. Sites stated if she is hearing Council Member Uffelman right, he is saying that at the time that we revamp the SDC resolution to have a better measurement tool, we would go back and re-evaluate this and reimburse anything that might be an overage from what our new standards would be.

Council Member Uffelman agreed that is what he is saying.

City Attorney Carl Dutli stated he would caution the Council on this. Do you stop on just airport hangars or any other business that may be changed in the resolution. If you go back, then are they going to come in and say, you gave this person at the hangar a rebate, how about him because he does not use much water? He wants the Council to be aware of what they are doing, because this may be the results.

Council Member Uffelman stated he respects that comment. This is a transitional issue that is at hand.

Mayor Wendel stated he agrees with part of it and the part that he really has an issue is that we need to resolve this so we are not doing this every two weeks for another hangar. This is a little out of control. This is not right. This is not good government. His opinion at this point would be to deny it. He is sorry but that would be his decision.

Council Member Ilk asked if someone leased a building in town, an empty building, and started a business in it, would this apply or does it apply if they build a building?

Ms. Sites replied if they come in for a remodel permit or any kind of building permit, yes it would. The issue here is if they do not need to make a physical change to the building and since we do not have a business license ordinance in effect, we may not even know about it. That is a fact.

Mr. Erb stated his hangar is in his personal name. It is not going to be in his business name. He is going to be leasing the hangar from himself.

Mayor Wendel asked Mr. Erb if he owned his own plane? Mr. Erb stated not at this point. He sold his plane. He is in the process of acquiring another one that would probably be stored there, but he is currently in transition.

Ms. Sites stated she can't say what they do or do not have to put in for what they are doing at this point in time, but this

is what is coming in as a building application. Our SDC are not currently measured by whether or not you have a restroom.

Council Member Gillespie state it seems to him that any of our infrastructure systems out there, if it was an empty lot and you built a house, you would have to pay SDCs. If it was an empty lot and you built a commercial building you would have to pay SDCs or if it was an empty lot and you build a hangar, you have to pay SDCs. He feels bad for Mr. Erb that he got the wrong information but he got the wrong information from the wrong people, not us he doesn't believe. He agrees with Mayor Wendel that we need to deny the appeal.

Council Member Ilk stated we had a lengthy discussion at the last meeting and in tonight's airport decision. In paragraph 3 it says that this is pretty much what we are going to do, that is what we said last time.

Mr. Erb stated it says in there it "may be applied, can be applied" it doesn't say that "it will be applied".

Council Member Ilk stated the wording says the City has the right to assess additional EDUs and charge corresponding additional SDCs.

Council Member Roppe stated she has one comment and that is that she thinks we really need to get this squared away because like Mayor Wendel said, she does not want to see more of these coming before the City Council, so how do we get that resolved?

Ms. Sites reported on the work plan that they have coming forward, you will see that this is one of their top priorities, is to address this issue.

Council Member Gillespie moved to deny the appeal with Council Member Seley seconding. Mayor Wendel said as he stated before, the reason why, is he got some wrong information and he hopes that he is able to set up shop here and he looks forward to that if he can. He understands it is a tough situation, but that is the way it is. The motion passed unanimously.

DISCUSSION ABOUT THE NEW PODIUM: Mayor Wendel asked each Council Member where they would prefer the new podium be located. It was agreed to leave it to the side, as it was located this evening, because it provides better interaction with both the Council and the audience.

DECEMBER 25TH COUNCIL MEETING: Since there are no pressing issues, the Council was in agreement to cancel the December 25th meeting. The next regularly scheduled Council Meeting will be January 8, 2008, which will also include the Mayor's Annual Address.

VISITORS, APPEARANCES AND REQUESTS: Operations Manager for Meadow Lakes Golf Course Wayne VanMatre invited the City Council to their Customer Appreciation Sale on Sunday, December 16th.

Shelby Case from the Central Oregonian introduced Kevin Gaboury who will be covering the City Council Meetings in the future.

The Council adjourned to Executive Session at 9:05 PM.

The Council reconvened to Open Session at 9:39 PM.

Council Member Roppe stated the Council received a salary comparison of City Managers from Cities of various cities. A copy of the current contract was also given to the Council. When he was hired in July of 2004 and it says that his auto compensation is \$400 per month. Mayor Wendel informed her that it is now \$500 per month.

City Manager Robb Corbett stated due to IRS regulations, the car allowances have been calculated and included in the employee's salary understanding that it was going to be taxed.

Council Member Roppe also pointed out that Mr. Corbett has only received a cost of living increase for the last couple of years.

Council Member Roppe stated it was her understanding that the Council approved any kind of increases for the City Manager. Obviously, that is not true because of the line item that says the City Manager shall receive the same cost of living adjustment as is given to other employees. She personally would like to see that the City Council has a way of, if we hire a new City Manager, this is the starting wage, like it was for him and this is the ceiling, we will never go above this. She is more comfortable where salary ranges have nothing to do with the individual, but we know that we will never be spending over \$200,000. The cost of living increase over the last three year calculates to a \$20,000 increase. She feels the Council is responsible as a Council what funds are spent in the City. She feels there ought to be some sort of perimeters as to what the Council's responsibilities are to the budget of the City.

Council Member Uffelman stated the base salary did not include the car allowance. The car allowance was included in the contract. It was \$400 and then changed to \$500. His frustration is what does taxation have to do with the car allowance?

City Manager Robb Corbett stated he was faced with several employees that are receiving a benefit from the City and it is all being taxed now and the response was this wasn't taxed before and now it is getting taxed. He made a policy decision that that is how he was going to handle it. Right or wrong that is what happened.

Council Member Uffelman stated if there is a car allowance and if the person is getting compensated, the person ought to be able to write off mileage and expense of the car as a deduction from their income tax. Therefore, he doesn't see where it has a true net tax to that individual. If they do not need the car for driving, then we ought not to be paying them a car allowance in the beginning.

Council Member Roppe stated her main purpose in providing this information is so that the Council was all informed.

Council Member Gillespie asked if this means all City employees only get cost of living increase, they get no merit increases no matter what?

City Manager Robb Corbett stated that is not the case. They have spent some time looking at different positions and have made merit increases. They are in the process right now where they

are asking a firm to look at specific non-union positions. The union contract already spells out the merit increases.

City Manager Robb Corbett stated his contract says the Council will give him an annual evaluation and consider any change in his salary.

Council Member Roppe stated the contract states the annual evaluation will be done in December.

Council Member Uffelman stated he would have to agree that early spring would be a more appropriate time, because that is the start of the budget process. Otherwise, then we are making adjustments in compensation that are not a part of the budget. If we do the evaluation in early spring, then it can be included in the upcoming budget.

Council Member Ilk stated the employee agreement states that the evaluation is to be completed in December.

City Attorney Carl Dutli stated if both parties agree to this change, then that date can be changed.

Council Member Roppe asked when is a good time to do the review and get it into our budget?

City Manager Robb Corbett stated he will be contacting the Council about a goal setting session where we will talk about the coming year and where you want to be as a City. What comes out of that work, actually is the start of the budget process.

Mayor Wendel stated that maybe the evaluation was set for December because it was a slower time of the year than the spring during the budgeting process.

City Manager Robb Corbett requested that the Council allow him to sit down with the Mayor and the Council President and talk about his contract. There are some things that he would like to bring up.

Council Member Seley asked City Attorney Carl Dutli since there is nothing in Section 4 that would preclude the Council making a decision and reviewing the salary in December and then putting off the effective date until the next budget cycle? Mr. Dutli stated that could be done.

Mayor Wendel stated he has looked at other contracts and he would have some changes to suggest. For example the present contract does not have an expiration date.

City Attorney Carl Dutli stated that is not unusual because the City Manager serves at the pleasure of the City Council.

Mayor Wendel stated he has seen in contracts where they offer him the job again for the next year but then they can also break ties if they want.

City Manager Robb Corbett asked permission from the Council to discuss this with whom ever the Council designates. Then at some later date it can be brought back to the Council for their consideration.

City Manager Robb Corbett suggested the Council wait until the salary survey is completed and they will have his salary range

as well. There are issues in his contract that he would like to talk about.


Mayor Wendel asked if the Council was okay with Robb, himself and Council Member Roppe sitting down and reviewing the City Manager's agreement? The Council was okay with this.

Council Member Ilk stated if there has been no salary adjustment in three years and it is determined at a later date, like April or March to do a salary increase, could they make it retroactive to December?


City Attorney Carl Dutli replied that it could be done, but it might be a question of where the money is going to come from. Is it in the budget, or are you going to do it next year and then it will be a whole bunch of money out of next years budget. Financially, you need to determine how you are going to figure it in the budget.

Council Member Noyes stated it is important to throw out on the table that we are representing these decisions to a very large 10,000 plus community and we need to associate the accomplishments and achievements with the step increases. We need to be communicating this to the public.

There being no further business to be brought to the Council at this time, the meeting was adjourned at 10:05 PM.



Robb Corbett, City Manager
Recorder



Mike Wendel, Mayor