



City of Prineville

387 NE THIRD STREET ♦ PRINEVILLE, OREGON 97754

SPECIAL MEETING BRIEF

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City Council Special Meeting Brief August 12th, 2011 – 8:00AM

Council Members Present:

Gordon Gillespie
Jack Seley
Gail Merritt

Steve Uffelman
Betty Roppe
Dean Noyes

Council Members Absent:

Jason Beebe (Available portion of meeting via speaker phone)

Additions to the Agenda

None.

Consent Agenda

None.

Visitors, Appearances and Requests:

None.

Council Business:

A. Prineville/Crook County Airport Interim Intergovernmental Agreement

Mayor Roppe called the Special Meeting to order.

Carl Dutli, City Attorney provided the background information on the interim IGA and discussed some of the financial information on account balances. There were questions of outstanding debt. There is a payment due to Jeff Salsbury, however that has been accounted for.

Mayor Roppe stated that the amount to go in blank line in paragraph 5 should be left blank until Council can meet with the County. Mayor Roppe asked Steve Forrester,

City Manager to provide update to Councilor Merritt since she was unable to attend the last meeting.

Steve Forrester provided the background and findings to date. Mayor Roppe stated that this agreement is good for a little over a month to come up with an IGA that would be good for a year, at which time the City would evaluate the agreement and progress of the airport.

Mr. Forrester went over the rough estimate for the City's investment of staff time in the beginning and added that it will take at least a year to see how the airport will do with the changes.

There were discussions regarding the expiration date on the interim agreement. It was explained that if the County & City do not come to an agreement by the agreed date on the interim agreement, the City could either take no further action or ask for an extension to iron out the details of the agreement further if County agreed.

Councilor Uffelman asked if the date on the interim agreement could be changed to be in alignment with Council's regularly scheduled meeting dates.

Councilor Noyes expressed concerns of taking on all of the risks that the City had previously worked so hard to get away from. Councilor Noyes stated that the City is not obligated to take this on, or to look at the agreement in place now, and rather look at this as a clean slate and what the city wants to take on with a new agreement.

Councilor Noyes stated that he felt the agreement is missing so many details to enter into.

Councilor Uffelman stated that the City is still at risk with the agreement as it is today, and would rather the City take over the management of this valuable infrastructure and bring it into the future.

Mayor Roppe stated that the interim agreement doesn't have to have all the details, and this is just to work towards an agreement that includes all of those details.

Councilor Uffelman made a motion to approve the interim agreement as presented with the following changes: change the blank in paragraph 5, to not less than \$40,000; and change the agreement date for not later than September 27, 2011.

Motion seconded. Discussion on motion. Carl Dutli pointed out that with the \$40,000 amount in there, it would tie the City to that. Mr. Dutli recommended to leave blank but authorizing a couple of Council members to negotiate if necessary with "no more than" rather than being unable to change that figure. Councilor Uffelman stated he was willing to amend his motion to accept the attorney's statement as long as Councilor Gillespie's second on the motion would accept that. Councilor Gillespie accepted. Councilor Seley stated that this is an agreement to make an agreement and if it can't be reached by the deadline on the interim agreement, the City could be out of it. There were further discussions stating that this is good for our community and council has faith in the ability of the City to manage the airport. Communication with Councilor Beebe was lost and could not be

re-established. Councilors Uffelman, Gillespie, Seley, and Merritt, Mayor Roppe were in favor, Councilor Noyes is opposed. Motion Carried.

Carl Dutli stated the next logical step would be to terminate the existing Intergovernmental Agreement.

Councilor Noyes made a motion to terminate the existing Intergovernmental Agreement with the County concerning the Airport. Motion seconded. All in favor, motion carried.

Carl Dutli explained that the County Court would be meeting shortly and recommended that a couple of Councilor's be appointed to attend that meeting to negotiate the amount in paragraph five of the interim agreement.

Mayor Roppe said that she would be going to the County meeting to sign the interim agreement.

Liz Schuette, Finance Director explained that the City would have to approve a supplemental budget to be able to do anything financially with the airport.

The County Court meeting is scheduled to begin at 9:00AM, here in the Council Chambers.

Councilor's Gillespie and Merritt were excused from the meeting at 8:41AM.

Mayor Roppe stated the meeting will be held open to combine Council meeting with the County meeting at 9:00AM and called a fifteen minute recess.

The City Council meeting reconvened at 9:03 AM. Mayor Roppe pointed out the changes to the interim agreement that the Council would like to see made.

Judge McCabe called the County Court meeting to order. County Commissioner Fahlgren and Crawford were present.

Judge McCabe made a motion to read County Ordinance No. 249 by title only. Commissioner Fahlgren seconded. All in favor, motion carried.

Judge McCabe read title of Ordinance No. 249 into the record.

Dave Gordon, County Counsel provided the staff report.

Judge McCabe opened the public portion of the meeting.

Carl Dutli informed County Court that the Council approved the interim Intergovernmental Agreement and voted to terminate the existing Intergovernmental Agreement with the County concerning the airport.

No further comments made. Judge McCabe closed the public portion of the meeting.

Commissioner Fahlgren made a motion to approve County Ordinance No. 249 for the first reading. Commissioner Crawford seconded the motion. Motion carried.

Commissioner Fahlgren made a motion to open County Ordinance No. 249 for second reading. Commissioner Crawford seconded. Motion carried.

Judge McCabe read title to County Ordinance No. 249.

Judge McCabe opened the public portion of the meeting. No one came forward. Public portion of the meeting is closed.

Commissioner Fahlgren made a motion to approve second reading of County Ordinance No. 249. Commissioner Crawford seconded. Motion carried.

Judge McCabe stated there is no longer an Airport Commission now.

Steve Forrester stated that he would go to the airport and ask Jeff Salsbury to stay on for a couple of days until he can get people together in hiring a permanent Airport Manager.

There were questions regarding outstanding bills, and explained the City's need for a supplemental budget.

No money has been contributed by the County to the Airport's operating fund.

Judge McCabe explained the County's million dollar debt to the improvements made at the airport. They are hoping to sell some property to the north and south of the airport to help pay some of that debt to the County down. This will require approval from the FAA in Seattle before they can proceed with that.

Councilor Noyes asked if anyone is interested in leasing a hangar would go to in the interim. It was explained that:

- Revenue from leases was intended to satisfy the loan would go to the County to retire the debt.
- Issues regarding the leases would be directed to the City for resolution.
- Annual lease payments go into the operating fund of the airport.
- Original capital investment would go to repayment of debt.

Steve Forrester paraphrased his understanding of this as:

- Yearly lease payments go into the operating fund; and
- Initial payments for development go to debt obligation.

Mayor Roppe asked about an "out clause" in the agreement. Judge McCabe stated that the point was understood and standard. Judge McCabe also explained that the County does not provide any money to the airport anymore like the City does, due to a new road that the County installed at airport.

Dave Gordon talked about computations and asked about what the amount should be in the blank line in paragraph 5 and added that the money in the operating fund right now belongs to the airport and not the County.

Steve Forrester said that he wants to remain focused on managing the airport and not managing the County debt. Steve Forrester added that he wants to be sure there is enough money to pay the bills that will be coming in for example the \$17,000 fuel bill that Dorless Reid currently has. He would like to see Kathy Gray, Liz Schuette and himself hammer out the numbers over the next couple of weeks.

Commissioner Crawford recommended wording as "existing fund balance, less the funds attributable to the hangar lease sales.

Commissioner Crawford made a motion to accept the changes to the interim Intergovernmental Agreement and recommendations of the City Council. Commissioner Fahlgren seconded the motion and noted the changes. No further comments from City Council. Motion carried.

There were questions about the current Airport Manager and who he becomes an employee of since he is an employee of the Airport Commission which is no longer.

Commissioner Crawford recommended that Jeff Salsbury be dismissed and brought back on as an interim employee.

It was agreed to dismiss him, so the chain of command is clear and to minimize risk. The mobile home would also have to be vacated since it is considered a benefit of the position.

City Council Meeting adjourned at 9:48 AM.
County Court Meeting adjourned at 9:48 AM.

NOTE: City Council Motions and Outcomes are in the summary below. County Court motions are not, however they are reflected in the City Council meeting brief.

Motions and Outcomes:

Motion:	Outcome	Uffelman	Gillespie	Bebbe	Merritt	Seley	Roppe	Noyes
Motion to Approve Interim IGA with County Regarding Airport	PASSED	Y	Y	-	Y	Y	Y	N
Motion to Terminate Existing IGA with County Regarding Airport	PASSED	Y	Y	-	Y	Y	Y	Y

Public Records Disclosure

Under the Oregon public records law, all documents referred to in this session are available at the City's website. www.cityofprineville.com. An electronic copy of the meeting packet is available for download at www.cityofprineville.com/packets. A full annotated voice recording of this meeting is available at www.cityofprineville.com/meetings