

CITY OF PRINEVILLE

MINUTES

April 22, 2008

The meeting of the Prineville City Council was called to order on April 22, 2008 at 6:30 PM in the Council Chambers at City Hall by Mayor Wendel. Present were Council Members Steve Ilk, Jack Seley, Dean Noyes, Betty Roppe, Steve Uffelman, Gordon Gillespie and City Manager Robb Corbett.

Present representing the press media was Kevin Gaboury from The Central Oregonian.

The meeting was opened with the flag salute.

CONSENT AGENDA:

- A. Minutes of April 8, 2008 regular meeting.
- B. Liquor License Application for 7<sup>th</sup> Street Café and Spirits

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

PROCLAMATIONS:

POPPY DAYS - Mayor Wendel read a proclamation proclaiming "Poppy Days" in the City of Prineville, May 16<sup>th</sup>-17<sup>th</sup> distributed by the American Legion Post 29 and Auxiliary and May 23<sup>rd</sup>-24<sup>th</sup> distributed by the Veterans of Foreign Wars Post 1412 and Auxiliary. Copies of the proclamation were presented by Mayor Wendel to the American Legion and the Veterans of Foreign Wars.

KIDS DAY AMERICA/INTERNATIONAL: Mayor Wendel read a proclamation proclaiming May 17<sup>th</sup> as "Kids Day America/International" in the City of Prineville. A copy of the proclamation was presented to Dr. Coby Hanes.

REQUEST SPONSORSHIP FOR "KIDS DAY AMERICA": Dr. Coby Hanes reported during the "Kids Day America" event last year they were able to screen 120-150 kids. Dr. Todd Shelton, optometrist and Dr. Tony Ramos, dentist, will again be there to provide free vision and dental screenings and his office will offer free health screenings as well. The local Masonic Lodge will provide child ID cards and the Prineville Police Department will conduct free fingerprinting for all children who attend. The Fire Department will be there as well providing safety tips and distributing important information.

Dr. Hanes reported the City donated \$1,000 last year, which allowed them to donate \$5,000 to the SMART (Start Making A Reader Today) Program as part of their celebration. Their goal this year is to raise \$6,000 to support their mission of transforming children's lives through reading. This year they are requesting a donation of \$2,000 from the City of Prineville.

Council Member Ilk moved to donate \$2,000 to Kids Day America to be used for the SMART Program. Council Member Noyes seconded and the motion passed unanimously.

ECONOMIC DEVELOPMENT UPDATE - JASON CARR, EDCO: Prineville/Crook County Economic Director Jason Carr presented his quarterly report to the Council. A copy of his report was included in the Council packet.

Jason briefly reviewed the recent trends in the local job market. Crook County's unemployment rate topped double digits for the first time since February, 2003 at 10.9%. The largest job loss in February for Crook County was in wood product manufacturing, where a total of 140 jobs have been lost since the first of the year. There were additional layoffs in March as well.

Jason gave an update on new businesses coming into the area. The new businesses are: Rock Solid Precast - a business from Bend that manufactures cement blocks for building retaining walls; Data Center - an unknown company has included Prineville on its "short List" of potential communities for expansion; Fontana - a truss making company from Redmond; Empire Construction Services - a Bend company that specializes in industrial painting projects; Biomass Plant - a renewal energy plan that is proposed for Crook County; Rendering/Bio-fuels Plant - Earth by Design is a company that is looking to build a rendering and bio-fuel plant in Crook County. There are also several retention and expansion projects.

2008 CATTLE DRIVE REQUEST FOR SUPPORT: Council Member Noyes stated he serves on the Crooked River Roundup Board of Director and he helped put the cattle drive together last year. With the assistance of the Crook County High Rodeo Team, it proved to be a very successful event. Last year the City donated \$2,000 to the Crook County High School Rodeo Team to help with their expenses in attending Silver State and National Finals.

Council Member Noyes introduced several representatives from the Crook County High School Rodeo Team. They each told about their involvement as part of the Crook County High School Rodeo Team and expressed to the Council that the donated funds helped a lot with their expenses in attending Silver State and National Finals. They expressed their interest in helping with the Cattle Drive again this year.

City Manager Robb Corbett reported he worked with the City's insurance carrier to add an insurance rider for the cattle drive event. This was done at no additional cost to the City, so this can be done again this year as well.

Council Member Gillespie moved to donate \$2,000 to the Crook County High School Rodeo Team for assisting with the Cattle Drive and adding a rider to the City's insurance to cover this event. Council Member Ilk seconded and the motion passed unanimously.

PRESENTATION BY THE SCHOOL DISTRICT: Crook County High School Principal Jim Golden reported the Crook County School District is working on an Environmental Program which would partner with the City, County and other local agencies to get kids out of the classroom to gain a better understanding of our environment.

Randy Jones stated this will be a multidisciplinary learning experience in the Crooked River Watershed to develop a "sense of place". This will include natural resource education, create

connections with other agencies and promote student watershed stewardship and personal experience with local government.

Randy stated some of the objectives of the program are:

- 1) Provide a holistic framework for students to apply.
- 2) Provide a meaningful experience.
- 3) Provide critical thinking skills.
- 4) Provide an appreciation for other people's point of view.
- 5) Empower the students and giving them vision for their own academic and professional future, as well as a role in a productive life.

This will be a great opportunity for the City to interact with the other partners in this program.

Tom Mottl from BLM stated he is excited to be a partner in this program. This is an excellent opportunity to bring partners together, as well as helping our kids have a better understanding of their community. He feels this is a great opportunity for local agencies to interact with our local kids.

Mr. Golden stated they will be bringing updates to the Council from time to time.

WORKSHOP - PLANNING USER FEE STUDY: Community Development Director Rick Sites stated she has provided the Council with a copy of the initial user fee schedule. They would like to see if they can become a fee supported Community Development Department.

Ms. Sites reported the Community Development Department entered into a contract with Maximus for the purpose of evaluating the feasibility of providing services as a "fee supported" department.

Dad Edds, of Maximus, met with the CDD staff on 2 occasions to collect information on our core business practices and to gather data on each activity provided to the public. He reviewed our financial, salary and benefits records, along with the time to complete each service. This information was analyzed by Maximus and a draft model for fee structure for 135 activities and services has been compiled.

Dan gave a powerpoint presentation and explained the methodology used to breakdown the actual costs in processing an application as well as other services that are provided. The current projected revenues are \$119,450, the total cost of fee generating services is \$718,922 and the potential additional cost recovery is \$599,471.

Some of the issues to consider are:

- What is "Full Cost" recovery?
- Include Pre-application Meetings?
- Include cost of long range planning?
- How to fund a high level of service?
- Establishing a policy for cost recovery?
- How much to recover and how to increase fees over time?

It was stated that one assumption that has been factored into the fee structure, is that the first hour of a pre-application meeting is encouraged and free to the applicants. The costs are factored in as an overhead to all other fees. Another assumption that has been used is that long-term planning is also

an activity to be factored into the fees. Fees associated with certain activities such as appeals might be mitigated to allow due process without significant costs to the applicant. If the Council decides to handle these costs differently, the model can be adjusted to reflect these policy decisions.

Dan stated they will design a fee structure that provides a reasonable number of reviews and meetings and at some point, if they don't get it, then you will have the ability to turn that clock and charge them an hourly rate.

Council Member Noyes stated after listening tonight, he feels they are doing a good job of determining which fees need to be tackled first and from what he has heard, they are doing a very good job. The other side of it, he gets a lot of his customers that deal with the City on application processes and he gets nothing but compliments about the ease of working with the Planning Department.

Council Member Uffelman asked about appeals. One of the concepts discussed is that someone ought to be able to appeal at least a preliminary appeal without reaching in a pulling out hundreds and hundreds of dollars.

Community Development Director Ricky Sites stated the City is presently working on setting our own appeal fees and one of the things that they discussed was that their own first appeal fee is too high because it is basically a right that everyone has to come and appeal something. They had some thoughts that the first appeal should not be a very costly event for somebody coming in, but maybe the second and third should in fact be, because if you have a deciding agency or deciding group that makes a decision, it is upheld once, then the next time, they should probably pay some money to get a second opinion on that.

Council Member Uffelman stated on the other hand if you do not have a fee, everything will get appealed.

Ms. Sites stated frivolous appeals are another issue, so she doesn't know if there is really a good answer on how they are going to deal with them. It is something they need to struggle with and get some solution because you do not want people appealing for the sake of appealing, when it is clearly not even an interpretative issue but just a ruling.

City Attorney Carl Dutli stated one of the problems you have with appeals is if you have to provide a transcript of all the hearings and that is going to be expensive. Do your costs address those costs?

Dan stated one thing is that appeals are just flat out expensive and there is really no getting around that. If you charged fully for every appeal, your legal counsel would at some point tap Mr. Corbett on the shoulder and say "You are inhibiting people's process to appeal." There is nothing wrong with having an nominal fee for an initial appeal, but then we start adding up the cost. Whether you should ever charge fully for the cost of an appeal is up to the City, but you have to give people access to due process and you have to give them their day with the Planning Commission. You want to charge enough to discourage the frivolous ones, but you can't charge too much that it is going to totally inhibit the process.

Council Member Ilk asked if there were any charges that were higher than what other jurisdictions charge?

Dan replied that most of them, on an average, were lower than the surrounding community.

Ms. Sites stated there was a fee that did stick out and it was one that they have never done. That was on a 100,000 square foot building or above for commercial. We charged twice what Bend was charging, but we have just never done it, so that has been reduced.

Council Member Ilk asked how we ended up comparing to Bend and Redmond's fees?

Ms. Sites stated most of our costs are lower than Bend and Redmond by approximately 30%. She referred the Council to the fee schedule that was provided.

Council Member Gillespie stated on the issue of recovering long-term planning costs, it seems like everything is in direct service and they have to spend some time doing things to plan for the future. The question then becomes, who is the customer? The current resident, which then you would think it would come out of current taxes. Are there triggers that growth forces long-term planning onto the department?

Ms. Sites stated basically they are required by law to update our plans on a regular basis, so we do have long-term planning. To answer who should pay for it, you can argue it both ways, whether it should be the new growth that comes in or the people living here who want to maintain a good living environment and therefore, need some planning as to what is going to happen to the community. The real issue is dollars. Does it come out of General Fund or user fees or both? What is the way to fund that?

Dan stated the logic behind any kind of a fee for a City or County is that the person using that service is using it at a disproportionate rate than the general public, so if he needs the use of a Planner, it is for his project and that project is primarily benefiting him and probably his net worth. Long-term planning also benefits the community, as well as the developer.

City Manager Robb Corbett stated the fees are going to dictate what the demands are going to be on City staff.

After some discussion, Community Development Director Ricky Sites asked the Council for direction as to whether they want to pursue 100% fee recovery, partial recovery or want to think about which items are just essential to doing business with the general public and which ones are to be reimbursed and whether they want the Community Development Department to be 100% fee based?

The options to consider are:

- 1) The option would be to delete all long term planning costs from the fees and charge actual costs on a graduated time frame. The first year would be equivalent to 1/2 the actual cost with a 10% increase each succeeding year until actual cost of service is reached. Additionally, a 7%

surcharge to these fees could be added for administrative costs.

- 2) A second option would be to itemize those costs that should be borne partially or totally through the City's General Fund, eliminate the indirect costs of all other fees and calculate each fee on a base price with an hourly charge for all additional work. Although this could become a bookkeeping burden, it would more nearly reflect the cost of each transaction and place those charges directly with the applicants incurring the cost. The other drawback to this method, is the uncertainty of the fees at the outstart.
- 3) A third option is to charge fees at 100% of departmental costs as shown on the chart. This would include all long term planning costs and indirect personnel costs, placing all planning department costs as a burden to new development and growth.

Dan stated the important thing is to make a policy for what the Council wants "full cost recovery" to mean. If you don't, then you staff is guessing all the time. Then every time they need more staff to ramp up for increased demand, they do not have the money to go do it. They have to come to the Budget Committee and to the Council because there is not money available and they do not get their staff, then you have upset customers because they cannot get their plan reviews done fast enough.

Council Member Uffelman asked if we were to charge 50% of the long range planning fee, a modified fee for the first appeal and 1 hour of pre-application fee for free, what would that do to our total cost?

Dan stated the way they have it structured right now is that the first hour of a pre-application meeting is in fact for free. It is free in the sense that they will not get a bill for it. However, what they have done is taken an estimate of that cost and they have built that into each individual fee, so whether or not anybody actually uses that service or not they are paying for it. Basically, it is a capacity charge. You are giving that option to anyone who wants it. You are saying everybody gets an hour for free, so if you want another hour after the free hour, then that is when the fee starts.

Ms. Sites stated what Council Member Uffelman is really asking is what does that do to our total fee structure and what it would look like? These are the kinds of questions they need to give to Dan to go back and re-crunch the whole thing, so we can get a new chart back with that option.

Council Member Uffelman stated that is the direction he would like to go. It is his comfort zone and he would like to see the numbers for that, which would be a modified version of Option 1.

Dan stated that Andy High, Chairman of The Central Oregon Builders Association feels that the long range planning should be fully a General Fund obligation.

After some discussion, Mayor Wendel polled the Council as to which option they prefer.

Council Member Noyes stated he was in agreement with Council Member Uffelman.

Council Member Seley stated he would be interested in phasing in 100% recovery over a two or three year period, because it is going to be a shock.

Council Member Ilk stated it may not be a shock because a number of these people are doing business in Redmond and Bend and will not be shocked. They are only going to be shocked that we are actually catching up.

Council Member Gillespie stated he likes option 1 as far as phasing it in. How many of these people are first time people coming into the department and they are not going to be shocked if they do not know any better. It seems like education to the general public that these are the actual costs is important.

Council Member Roppe was also in agreement with Option 1 as was stated by Council Member Uffelman.

Mayor Wendel stated he is in agreement with the Council but he is not sure about the 7% surcharge for administrative costs.

Ms. Sites stated these are just ways to generate the funds to support the Community Development Department. If that is not acceptable, that is fine too. What she believes you are asking them to do is to come back with a similar chart that will show the two options that we are discussing right now.

Mayor Wendel stated he is also interested in knowing how in the future we are looking at increases.

Dan stated their recommendation is to increase it by a CPI factor or some variation thereof for every year for a couple of years and then in 3-5 years do another major review.

GARBAGE FRANCHISE BOND RATE: City Manager Robb Corbett reported he was directed by the Council to inquire and find out if the other cities in Central Oregon that require a bond as part of their franchise agreement, do in fact require a bond or waive this requirement. Both Madras and Bend require a \$5,000 bond but waive the requirement. Redmond requires a \$20,000 bond but did not return the phone call inquiring if they waive this requirement.

Additionally, he contacted the City of Heppner who recently hired a private garbage hauler for a brief period to address problems they were dealing with on their franchise. They hired a garbage hauler from Hermiston to collect garbage in their commercial district for a few days and the bill amounted to approximately \$400.00.

Emily Holliday read a letter from KBI Insurance stating they have made all reasonable attempts to obtain a Franchise Bond for Prineville Disposal, Inc. without success. KBI Insurance, Inc. has specialized in insuring and bonding refuse hauling and recycling industry since 1982. They have over 100 clients spread across five western states and they report that multi-year franchise bonds are now non-existent. Single year bonds for refuse hauling contracts have also become very rare.

Emily presented a copy of this letter from KBI Insurance to City Manager Robb Corbett for the record.

Council Member Roppe moved not to require a performance bond from Prineville Disposal, Inc. Council Member Noyes seconded and the motion passed unanimously.

WATERLINE BID AWARD: Public Works Director Jerry Brummer reviewed the staff report that was included in the Council Packet.

The Public Works Department recently received bids on the 2008 Locust Street Water Main Replacement Project. The work contemplated in this project generally consists of furnishing all labor, equipment, supplies and materials to replace approximately 600 lineal feet of 4" wooden water main pipe with 8" C-900 pipe in North Locust Street between West Third and Fifth Streets, 11 associated water services, one fire hydrant assembly including valves and traffic control as required. The engineer's estimate for this project is \$50,000.

Jerry reported Bid Opening was held April 17<sup>th</sup> at 2:00 PM. A total of 7 bids were received. The 3 lowest bids were:

Bartlett Excavation & Construction	\$44,655
AG Ontko Contracting	\$53,975
Taylor NW	\$56,000

After a brief discussion, Council Member Uffelman moved to issue notice of intent to award the bid for the 2008 Locust Street Water Main Project to Bartlett Excavation & Construction for \$44,655. Council Member Noyes seconded and the motion passed unanimously.

BOY SCOUTS BANQUET: Council Member Roppe reported she recently attended a Boy Scouts Award Banquet in absence of the Mayor. Three people from Prineville received awards for their service to the Boy Scouts: Doug Ashcraft for 55 years of service, Ernest McKenzie for 50 years of service and Jerry Rice for 50 years of service. Council Member Roppe suggested the City send these gentlemen a note of recognition for their dedication to the Boy Scouts.

Council Member Roppe asked about the outcome of the letter of support sent to the County on the Road in Powell Butte.

City Manager Robb Corbett reported we issued a Memo Of Understanding to the County Court and he believes that Ms. Sites and Jerry Brummer will be sitting down with Judge Cooper to clarify that understanding.

There was no further business to come before the Council at this time, so the meeting was adjourned at 8:50 PM.

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Mike K. Wendel, Mayor

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Robb Corbett, City Manager  
Recorder