

CITY OF PRINEVILLE

MINUTES

September 11, 2007

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

Present representing the press media was Erin Golden of the Bulletin and AnnMarie Knepper of the Central Oregonian.

The meeting was opened with the flag salute.

CONSENT AGENDA:

A. Minutes of August 28, 2007 regular meeting.

B. OLCC application for Pizza Hut - new ownership

Council Member Roppe moved to approve the consent agenda. Council Member Young seconded and the motion passed unanimously.

VISITORS, APPEARANCES AND REQUESTS:

Gail Schmutz from the Crook County Foundation stated she is requesting funding from the City towards the Leadership Prineville Program. The new program will begin on October 18th and it will be a 9 month program. She is again requesting \$2,000 support from the City of Prineville.

Council Member Roppe stated in the past this program has been held every other year, but it was so successful last year, that they are going to offer the program again this year. They will be holding the class one full day each month rather than two evening classes every month.

Council Member Uffelman questioned the amount remaining in this fund.

City Manager stated we will have the exact amount remaining in this fund when the Council makes their decision later on in this meeting.

Paula Smith of 792 SE Knight Street stated she has been a resident of Prineville for 48 years. Her last water bill was \$167.00. She was told by Rhonda at the reception desk the reason why the water bill was so high is that an employee did not read the meters correctly. He apparently was estimating what it might be. She pays her water bill in good faith every month and she does not feel that it is fair that she has to pay that high of a bill this month, because somebody was not doing their job. She asked also what action was taken with this employee and she told me that he was reprimanded for his actions. She believes that if he was being paid to do the read the meters and he wasn't doing it, that he should have to pay her water bill from the money he earned for sitting around drinking coffee or whatever he was doing. She wants to know what action the City is taking on this employee.

Mayor Wendel suggested setting up a meeting with the City Manager to discuss this further. Paula Smith agreed to call tomorrow and schedule an appointment

Brenda Laughlin of 138 SW 5th Street stated this has been going on since July and they literally made her hire a plumber to come out because they told her that she probably had a broken water pipe because she used 53 units of water. She was gone three weeks out of that month and she does not have any leaks. It cost her \$130 to prove that she did not use the water. Come to find out that this employee has not been doing his job and has been estimating. She is very frustrated and she does not feel that she should have to pay a plumber and her water bill. Her sister who purchased her house also got a bill for 999 NW Glenwood in the amount of \$4.33 and it says for services of 1-05 to 1-22-07. She did rent her house out, but even her bill this month is 43 units of water and they are going back and she did not have renters in there. How can you say she used it all? This is a big issue. This is fraud.

Mayor Wendel stated he does not believe that we are out trying to take money away from anyone that is not for services rendered. We will get to the bottom of this and figure out what the situation is. We are not out to take money for no reason. If there is an error, he is sorry and we will get that resolved. We are not out to be fraudulent towards any body for any particular reason. There is probably a mistake somewhere and we will get it resolved.

Sherry Kitchen of 999 NW Glenwood stated she is a single parent and she tore her house apart looking for a receipt and finally found it and come to find out it is \$50.00 more. How do they know she used the water or the people that rented before she bought the house didn't use it? If he is estimating, how long has he been estimating?

Mayor Wendel stated we will find out and we get an answer.

WORKSHOP - ENTERPRISE ZONE/ECONOMIC DEVELOPMENT UPDATE:
Prineville Crook County Economic Development Director Jason Carr presented an overview of the Enterprise Zone Program through a power point presentation and provided a written report to the Council.

The Enterprise Zone was created in 1985 as an incentive to aid and attract commerce. The Enterprise Zones are scheduled to sunset by 2012. There are presently 49 Enterprise Zones in the State of Oregon. Only primary employers are eligible. Jason briefly reviewed the basic qualifications that are set in order to qualify for the Enterprise Zone benefits. He is hoping to be able to add more land to the current Enterprise Zone.

Jason reported on Enterprise Zone success in Crook County. Seven businesses qualified in 2005, which means \$30 million taxable investment and the creation of 50 new full time jobs. He also briefly reviewed the data on the Enterprise Zones around the State.

Jason stated two important points to remember are: 1) This program does not take away any current revenues off of the tax rolls and 2) the amount of money that a company saves through the Enterprise Zone Program is relatively small but the

incentive of a tax break offers a compelling message to a company that Prineville is open for business.

Jason answered questions from the Council. City Manager Robb Corbett encouraged the Council to attend the Oregon Business Magazine Tour to be held at Meadow Lakes on September 18th.

STREET SWEEPER BID AWARD: Public Works Superintendent Jerry Brummer gave a brief staff report. They solicited quotes for a new street sweeper based on certain City of Prineville specifications. All the companies that submitted quotes also provided a demonstration of their machine. All of the companies were asked to offer a trade-in value on our current 2002 sweeper.

Mr. Brummer stated that staff feels that maintenance and repair are the two most important items to consider. They used a point system to evaluate the sweeper companies.

The following quotes were received:

Owen Equipment a Elgin dealer, \$152,659 less a discount of \$7681 And a trade-in allowance of \$61,200 for a net price of \$83,778

Titan Sales Group a Schwarze dealer, \$143,946 with a trade-in of \$3500 for a net of \$108,946

Clyde West a Tymco dealer, \$152,858 minus a trade-in of \$30,000 for a net of \$122,858

Mr. Brummer reported staff recommends the new sweeper bid be awarded to Clyde West dealer of the Tymco model for \$122,858, based on the point evaluation rating for friendly operation, ease of maintenance, parts availability at local parts stores and overnight freight, mechanic friendly ease of repairs, service and support and delivery date of new sweeper.

Council Member Roppe stated the normal process when you put something out to bid is awarding it to the lowest bidder. When you don't do that you would have to have, in her opinion, significant documentation as to why you would not do that even if you say you can get the parts locally. Is it cheaper to get them locally? The documentation she believes would have to be very thorough on why you would award it to the highest price. Whether we are at risk for question from the first two or the other two and not only that, but whether we are at risk from criticism to the citizens of our City. We would have to have that documentation.

Jerry Brummer stated he agrees with Council Member Roppe. Actually this was less than \$150,000, so it is his understanding that this was an informal bid process and if it is over \$150,000, then we are required to take the lower bid. If it is under that, then you get quotes and you go through the informal process and then you can base it on the criteria that you choose to base it on.

City Attorney Carl Dutli stated the \$150,000 is the break between informal and formal. Actually this is a request for a proposal. With a request for proposal you can set the criteria. In this case, the criteria was set, and price was one of them, but it was a lower price criteria. As Jerry mentioned the other items, ability to get parts, the time for delivery of the

sweeper and the ease of repair were the main items contained in the criteria. This criteria was sent out to everyone that provided a quote, so they knew what the decision was going to be based on. It is allowed under Oregon Law, you just have to make that known to everyone.

Mr. Dutli stated if it was over the \$150,000, you could do the same process. It would just be instead of a quote, where someone just sends an open sheet, then it would be sealed proposals and they would be opened in the same way as bids.

Jerry Brummer stated if you trade in one model on an opposite model, you are not going to get the trade in. If you trade in a chevy on a chevy you are going to get more trade-in. When you trade from one brand name to another, chances are you are going to get a lessor amount the first time that you do that. Then next time if you want to trade the same type for the same type, you are probably going to get that recovery back.

Council Member Young stated that she would have to think that over the long run 3, 5, 10 years, however long this machine lasts, you're going to spend less money. Jerry Brummer was in agreement.

Council Member Uffelman asked how long do you expect to operate this new machine?

Jerry Brummer stated they would like to get into a three-year rotation if we could. Part of that is that they will have close to 3,000 hours at the end of three years on it and sweepers are a high maintenance item and it seems like if you can trade them off with less than 3,000 hours on it, you get a pretty good trade in. If you go over that, then your trade in goes down to about 20% just in a year's time.

Council Member Uffelman asked how many hours a week is the sweeper normally run?

Jerry Brummer stated now they are probably running it about 70 hours a month. Actually from October - March the sweeper runs almost every day, because the leaves need to be picked up, so they do not have trouble with the storm drains and once they start putting out the cinders, they need to sweep them up. There are not many days between October - March that the sweeper is not run. During this time it is probably more than 70 hours a month, but during the summer, 70 hours is pretty average.

Council Member Gillespie moved to purchase the recommended sweeper, Tymco for \$122,858. Council Member Young seconded and the motion passed unanimously.

UPDATE ON MEASURE 37 APPRAISAL: City Manager Robb Corbett stated as you recall as a part of the settlement agreement with Mr. and Mrs. Palin we entered into an agreement to have the property re-appraised. He received the appraisal last week and the appraised value of the property was \$180,000. In conjunction with the agreement that we signed, we will be issuing a check to Mr. Palin and his wife for the balance of the money owed. If you recall, we issued him a check the last fiscal year somewhere in the neighborhood of \$47,000, so we will issue a check that subtracts that amount. He is still holding the \$47,000 check and the only other thing is that we agreed to split the cost of the appraisal and so we will subtract their share of that. We

have 14 days from when the appraisal was received to when we have to issue the check, so it needs to be done in the next couple of days.

Mr. Corbett stated as part of this discussion, the Council received a staff report from Andy Parks about how we would cover this within our budget. Consistent with that report, we will be bringing a resolution to the Council that moves adequate funds from contingency, which is a reserve in the General Fund, which is your discretionary fund, to be able to cover the expense on that check.

Council Member Uffelman stated his only concern is that if the initial check has not been cashed, then all of the funds are going to come out of this year's fiscal budget, because we have had carryover from the previous year.

City Manager Robb Corbett stated actually that money has been sitting in a liability fund. It was stated these funds were not a part of the carryover.

DECISION ON DONATION TO CROOK COUNTY FOUNDATION: Financial Director Liz Schutte reported there is an approximate balance of \$24,400 in the Council's Fund. She will begin providing a report on these funds to the Council when she prepares the financial report.

Council Member Young moved to donate \$2,000 in support of the Leadership Prineville Program. Council Member Gillespie seconded and the motion passed unanimously.

It was stated the City of Prineville will receive one free scholarship for this program for their donation.

SALMON AND STEELHEAD REINTRODUCTION PLAN PARTICIPATION: Council Member Roppe reported she has attended the last couple of meetings concerning this issue of salmon and steelhead reintroduction, so she provided a brief report to the Council.

On July 17, City and County staff were invited to attend a meeting with local irrigation districts outlining a proposal, offered by National Marine Fisheries, allowing legal protection from current, potentially harmful practices, in exchange for a commitment to complete a Habit Conservation Plan (HCP). The HCP is a planning effort that analyses current uses and identifies long term improvements in the use of the water system that will help the reintroduction effort.

Steelhead reintroduction has significant implications for local government activities in Central Oregon. Local governments can affect land and water resources and steelhead and their habitat through: Groundwater withdrawal and surface water diversions; Regulation of land use and development; Wastewater discharge and stormwater management; Construction and maintenance of roads, bridges, culverts, and other infrastructure; Clearing and/or stabilization of stream banks and steep slopes.

The everyday activities of local governments expose them to the risk of being held responsible of "taking" of ESA listed steelhead. The consequences of an accidental take are as much as \$10,000-\$20,000 per fish and criminal prosecution.

Council Member Roppe reported the City of Prineville will become a permittee, which means we will get a voting seat at the table to negotiate the Habitat Conservation Plan (HCP). This permit will cost \$5,000 annually, not to exceed 5 years. We are looking at a lot of risk to our community, so we need to participate in this.

City Manager Robb Corbett stated staff has identified two options. Due to our permitted discharge of effluent and other impacts on the river system, we will be required to conform to changing any practice that currently has negative impacts on the reintroduction effort. The ability to work with federal and state agencies to proactively identify impacts and address them may make sense.

The alternative would be to continue our current practices, waiting for the permitting process to identify negative impacts, then address mitigating these impacts.

City Manager Robb Corbett stated he would be bringing an agreement to the Council for approval, which will allow us to work with the collation of entities that are facing this issue and more importantly the potential liability of current practices that impact the fish.

Council Member Roppe stated she has attended three meetings dealing with this issue and she definitely feels the City must participate.

The next meeting is scheduled for September 24th in Portland.

RESOLUTION NO. 1058 - ESTABLISHING LIFE LINE ROUTES MAP: Council Member Young moved to read Resolution No. 1058 by title only. Council Member Gillespie seconded and the motion passed unanimously. City Manager Robb Corbett read Resolution No. 1058 by title only.

Scott Smith gave a brief staff report. Scott stated by adopting these Life Line Routes we will increase our chances of acquiring funding for the Elm Street Bridge and provide Public Works with an adopted primary sanding and snow removal route during our winter months. The adoption of these Life Line Routes is not in conflict with the City's TSP.

Council Member Gillespie moved to approve Resolution No. 1058. Council Member Roppe seconded and the motion passed unanimously.

ORDINANCE NO. 1147 - FRANCHISE AGREEMENT WITH BEND BROADBAND: Information Technology James Wilson gave a brief staff report. Bend Broadband is seeking a non-exclusive franchise agreement with the City of Prineville to offer high speed fiber optic data transport (HSD) to business, government and education customers within the City of Prineville.

The driving factor behind this request is the Crook County School District's desire to connect their buildings and facilities to a unified high speed network to facilitate moving large files and information between buildings. The School District has approached Bend Broadband who is interested in providing this service.

Staff has spoken with Crestview Cable Communications and they expressed that high speed fiber optic connectivity is a market

area Crestview Cable has chosen not to expand into. Our current franchise with Crestview Cable Communications is a non-exclusive agreement.

Bend Broadband wishes only to provide high speed data services at this time, and will not be offering cable television programming or residential internet services. If this intent changes, they will re-negotiate a new franchise agreement with the City.

Council Member Uffelman moved to read Ordinance No. 1147 by title only. Council Member Young seconded and the motion passed unanimously. City Manager Robb Corbett read Ordinance No. 1147 by title only for the first reading.

City Attorney Carl Dutli stated we have no authority to charge Bend Broadband for this service. If they go into cable or circuit switch telephone, they would have to come back for a new franchise and then we could charge them a fee.

Council Member Uffelman stated other businesses that use the City's right-of-way pay a fee.

City Attorney Carl Dutli stated this is controlled by the Federal government, we do not have a choice and cannot charge them a fee.

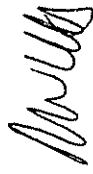
Mr. Dutli stated Qwest pays a franchise fee, but not on internet services, nor do other local internet services pay any franchise fees.

CEO Amy Tykeson and Chief Technical Officer Frank Miller from Bend Broadband were present to address questions and concerns from the Council.

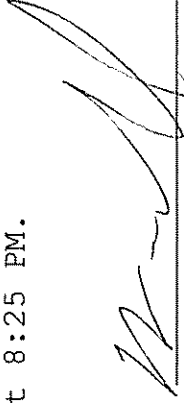
City Attorney Carl Dutli reported the last sentence of Section 3 on the first page of the ordinance has been changed to read "This ordinance does not grant Company any rights to provide circuit switched telephone service or cable service, as defined by federal law, over the Fiber Optic Facilities."

Council Member Uffelman moved to approve the first reading of Ordinance No. 1147 as revised. Council Member Roppe seconded and the motion passed unanimously.

There was no further business to come before the Council at this time, so the meeting was adjourned at 8:25 PM.



Robb Corbett, City Manager
Recorder



Mike K. Wendel, Mayor