

CITY of LA GRANDE
City Council Regular Session

May 4, 2016

6:00 p.m.

**Council Chambers
La Grande City Hall
1000 Adams Avenue**

MINUTES

COUNCILORS PRESENT:

Stephen E. Clements, *Mayor*
Gary Lillard, *Mayor Pro Tem*
John Bozarth, *Councilor*
Wayne Brown, *Councilor*
John Lackey, *Councilor*
Troy Pointer, *Councilor*
Justin Rock, *Councilor*

COUNCILORS ABSENT EXCUSED:

STAFF PRESENT

Robert Strope, *City Manager*
Angelika Brooks, *City Recorder*
Kayla Nichols, *Assistant to the City Manager*
Mike Boquist, *City Planner*
Brian Harvey, *Police Chief*
Kim Hulse, *Finance Director*
Christine Jarski, *Economic Development Director*

**CALL TO ORDER/PLEDGE OF ALLEGIANCE/
ROLL CALL/AGENDA APPROVAL**

Mayor CLEMENTS called to order this Regular Session of the Council at 6:00 p.m. Roll Call was taken and a quorum was determined to be present.

STROPE noted that on the dais this evening was an email STROPE had printed out for the Council that was in response to questions from Councilor Bozarth.

CONSENT AGENDA

- a.** **Consider:** Approval of Regular Session Minutes; *March 2, 2016*
- b.** **Consider:** Approval of Liquor License Application; *Limited On-Premises Sales, Change of Ownership for Local Harvest*

The following Motion was introduced by BROWN; ROCK providing the Second:

MOTION

MOTION: I move that we accept the Consent Agenda as presented.

VOTE

MSC. (unanimous).

PUBLIC COMMENTS

None

PUBLIC HEARINGS

- a.** Accepting Application/First Reading of Ordinance;
Right-of-Way Vacation Request

RULES OF ORDER

Mayor CLEMENTS opened the Public Hearing at 6:04 p.m. and asked the City Recorder to read the Rules of Order in their entirety.

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Mike Boquist, *City Planner*

BOQUIST stated that the Applicant, Easter Oregon Youth for Christ, represented by Kevin Rainey, had requested the City of La Grande's consideration of the following described public right-of-way vacation:

- The North ten feet (10') and the South ten feet (10') of the "J" Avenue public right-of-way, between Second Street and Third Street; all being adjacent to Blocks 87 and 90 of CHAPLIN'S ADDITION to La Grande, Union County, Oregon, according to the recorded plat of said addition.
- Also described as being adjacent to Tax Lots 2000, 2200, 4000, and 4200 in Township 3 South, Range 38 East, Section 7AD, City of La Grande, Union County, Oregon.

BOQUIST stated that the Planning Commission met and held a public hearing to consider this request on April 12, 2016. Other than the applicant, there was no public testimony submitted regarding this request. By unanimous vote, the Planning Commission found this request to meet all applicable City and State requirements and the Commission recommended approval by the City Council.

In response to Mayor CLEMENTS' question, BOQUIST stated that the Planning Commission supported the request and there were no neighboring property owners who came forward with any issues with the request.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

Mayor CLEMENTS' announced that the Public Hearing would be continued to June 8, 2016, at which time the Proposed Ordinance was scheduled to be read a Second Time by Title Only and considered for Adoption.

At the Mayor's request, the City Recorder Read the Proposed Ordinance for the First Time by Title Only as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, VACATING THE NORTH TEN FEET (10') AND THE SOUTH TEN FEET (10') OF THE "J" AVENUE RIGHT-OF-WAY BETWEEN SECOND AND THIRD STREET; AND DECLARING AN EFFECTIVE DATE.

UNFINISHED BUSINESS

None

NEW BUSINESS

- a. **Consider:** Passing Resolution; *Annexing Property Located at 511 and 515 Twentieth Street*

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Mike BOQUIST, *City Planner*

BOQUIST stated that the subject properties, 511 and 515 South Twentieth Street, were located within the City of La Grande Urban Growth Boundary and the property owner had requested annexation into the City of La Grande in exchange for receiving City water and sewer services. The subject properties were currently vacant and the City services were available in South Twentieth Street. The property owner was in the process of applying for building permits to construct a single-family home on one of the properties and City Ordinances required the properties to be annexed prior to receiving City services.

BOQUIST noted that the property was contiguous to the City Limits and there were no known conflicts with satisfying this request. In accordance with Oregon Revised Statutes 222.125, for this request to be approved by Resolution, the request must include 100% property owner consent(s) and consent from the majority of the electors. If these requirements were met, the legislative body (City Council) may "proclaim the annexation" by Resolution. This request included a statement of consent from the sole property owner, Rick Danforth. Both properties are currently vacant and there were no electors residing on the property. Mr. Danforth's consent represents 100% of the owners and meets the requirements of ORS 222.125.

A brief discussion was held regarding the status of work that had currently been completed.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by BOZARTH; POINTER providing the Second:

Motion: I move that the proposed Resolution annexing property located at 511 and 515 South Twentieth Street and removing said property from the La Grande Rural Fire Protection District be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

None

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, DECLARING CERTAIN TERRITORY ANNEXED TO THE CITY OF LA GRANDE, OREGON, SPECIFICALLY, PROPERTY AT 511 AND 515 SOUTH TWENTIETH STREET, T3S, R38E, SECTION 16, TAX LOTS 902 AND 903; AND REMOVING SAID PROPERTY FROM THE LA GRANDE RURAL FIRE PROTECTION DISTRICT. [4721]

VOTE

MSC. (unanimous)

b. Consider: Passing Resolution; *Transfer of Appropriation*

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Robert STROPE, City Manager
Kim HULSE, *Finance Director*

STROPE stated there were several unanticipated expenditures within the City Council/City Manager's budget which were anticipated to cause expenditures to exceed appropriations. The first being Transient Room Tax exceeding budget projections, as the final payment from last fiscal year was not made until the new Fiscal Year had begun. These funds were pass through dollars which were collected by the City and paid to Union County. The second being the unanticipated abatement costs associated with the removal of a structure which had caught fire and was deemed a dangerous building. The property owner failed to abate the nuisance and it was necessary for the City to do so. The cost associated with the abatement exceeded projected budgeted expenditures as well. The City Council was made aware that these costs would require the use of contingency funds. Lastly, the unanticipated legal fees associated with the negotiation of a new Franchise Agreement exceeded the budgeted amount.

STROPE noted that this would bring the amount budgeted for Materials and Services to \$522,463 and the total appropriation for Council and City Manager to \$1,020,601 (including Interfund transfers). The total budgeted in *Contingencies* for Fiscal Year 2015-16 was \$300,000.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by BOZARTH; BROWN providing the Second:

Motion: I move that the proposed resolution authorizing the appropriation of contingency to the City Manager's budget be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

None

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, OREGON, AUTHORIZING THE TRANSFER OF APPROPRIATION WITHIN THE FISCAL YEAR 2015 – 2016 BUDGET. [4722]

VOTE

MSC. (unanimous)

c. **Consider:** Passing Resolution; *Establishing Water Reserve Fund*

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Kim HULSE, *Finance Director*

HULSE stated that currently, the Capital Equipment and Improvement Fund (015) was used to reserve funds for current and future construction projects for several funds including the Water Fund. Upon recommendation of the auditor, the Resolution would establish a separate water Reserve Fund, specifically for Water capital equipment and improvement projects. This would allow the City of La Grande Water Department to continue to set aside funds for the acquisition, construction, reconstruction; and for the purchase and repairs of equipment and infrastructure related to the Water Fund. Per ORS 294.346, the Reserve Fund shall be in effect for not longer than 10 years at which time it would be reviewed and determined whether the fund would be continued or abolished.

HULSE noted that through the budget process for FY 2016-17, there were allowances for the transfer of funds from the Capital Equipment and Improvement Fund (015) that have

been identified as Water Funds. At the end of the current fiscal year, it was estimated that the (015) fund would hold approximately \$618,391 of water funds which was budgeted to be transferred in the 2016-17 fiscal year to the newly established Water Reserve Fund.

A brief discussion was held regarding the purposes of the fund.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by LILLARD; BOZARTH providing the Second:

Motion: I move that the proposed Resolution authorizing the establishment of a Water Reserve Fund be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

None

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, ESTABLISHING THE NEED FOR A WATER RESERVE FUND FOR THE CONSTRUCTION, RECONSTRUCTION, AND THE FURNISHING OF MUNICIPAL BUILDINGS; THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OF INFRASTRUCTURE; AND THE PURCHASE AND REPAIRS OF EQUIPMENT RELATED TO THE WATER FUND [4723]

VOTE

MSC. (unanimous)

d. Consider: Passing Resolution; *Establishing Storm Utility Fund*

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Kim HULSE, *Finance Director*

HULSE stated that currently, the Capital Equipment and Improvement Fund (015) was used to reserve funds for current and future construction projects for several funds including the Storm Utility Reserve Fund, specifically for Storm Utility capital equipment and improvement projects. This would allow the City of La Grande Public Works Department to continue to set aside funds for the acquisition, construction, reconstruction and the repairs of storm sewer infrastructure. It would function as a savings account.

HULSE noted that per ORS 294.346, this Reserve Fund shall be in effect for not longer than 10 years at which time it would be reviewed and determined whether the fund would be continued or abolished.

HULSE stated at the end of the current fiscal year, it was estimated that the Capital Equipment and Improvement Fund (015) would not hold any funds that needed to be transferred to this new Fund.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

A brief Council discussion was held regarding the purpose of the fund.

MOTION

The following Motion was introduced by LILLARD; BROWN providing the Second:

Motion: I move that the proposed Resolution authorizing the establishment of a Storm Utility Reserve Fund be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

A brief Council discussion was held regarding the purpose of the fund, the process of transfers, and the breakdown of the funds and the major capital improvements associated with each fund.

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, ESTABLISHING THE NEED FOR A STORM UTILITY RESERVE FUND FOR THE CONSTRUCTION, RECONSTRUCTION, AND THE FURNISHING OF MUNICIPAL BUILDINGS; THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OF INFRASTRUCTURE; AND THE PURCHASE AND REPAIRS OF EQUIPMENT RELATED TO THE STORM UTILITY FUND [4724]

VOTE

MSC. (unanimous)

e. Consider: Passing Resolution; Sewer Reserve Fund

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Kim HULSE, *Finance Director*

HULSE stated that currently, the Capital Equipment and Improvement Fund (015) was used to reserve funds for current and future construction projects for several funds including the Sewer Fund. Upon recommendation of the auditor, this Resolution would replace the current Sewer

Construction Fund (008) with the Sewer Reserve Fund and establish it as the reserve fund specifically for Sewer Funds. This would allow the City of La Grande Sewer Department to continue to set aside funds for the acquisition, construction, reconstruction; and for the purchase and repairs of equipment and infrastructure related to the Sewer Fund.

HULSE noted that per ORS 294.346, this Reserve Fund shall be in effect for not longer than 10 years at which time it would be reviewed and determined whether the fund would be continued or abolished.

HULSE stated that through the budget process for the FY 2016-17, we have allowed for the transfer of funds from the Capital Equipment and Improvement Fund (015) that have been identified as Sewer Funds. At the end of the current fiscal year, it was estimated that the (015) fund would hold approximately \$1,888,750 of sewer funds which was budgeted to transfer in the 2016-17 fiscal year to the newly established Sewer Reserve Fund.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by BOZARTH; ROCK providing the Second:

Motion: I move that the proposed Resolution authorizing the establishment of a Sewer Reserve Fund be read by title only, put to a vote, and passed.

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, ESTABLISHING THE NEED FOR A SEWER RESERVE FUND FOR THE CONSTRUCTION, RECONSTRUCTION, AND THE FURNISHING OF MUNICIPAL BUILDINGS; THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OF INFRASTRUCTURE; AND THE PURCHASE AND REPAIRS OF EQUIPMENT RELATED TO THE SEWER FUND [4725]

VOTE

MSC. (unanimous)

f. Consider: Passing Resolution; *Building Inspection Reserve Fund*

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Kim HULSE, *Finance Director*

HULSE stated that currently, the General Reserve Fund (016) was used to reserve funds for current and future capital acquisitions and purchase repairs of equipment as established by Resolution 4680, Series 2014. Upon recommendation of the auditor, this Resolution would establish a separate Building Inspection Reserve Fund specifically for Building Inspection. This would allow the City of La Grande Building Inspection Department to set aside funds for the construction, reconstruction, and the furnishing of municipal buildings; and the purchase and repairs of equipment related to the Building Inspection Fund. Typically, this Department's reserves are limited to vehicles and equipment, but the Resolution provided for maximum flexibility.

HULSE note that per ORS 294.346, this Reserve Fund shall be in effect for no longer than 10 years at which time it would be reviewed and determined whether the fund would be continued or abolished.

HULSE stated that through the budget process for the FY 2016-17, we have allowed for the transfer of funds from the General Reserve Fund (016) that have been identified as Building Inspection Funds. At the end of the current fiscal year, it was estimated that the (016) fund would hold approximately \$15,100 of Building Inspection Funds which was budgeted to be transferred in the 2016-17 fiscal year to the newly established Building Inspection Reserve Fund.

A brief Council discussion was held regarding the purpose of the fund, the process of transfers, and the breakdown of the funds, the major capital improvements associated with each fund, and potential allocation of funds. It was noted that while the Resolution refers to major capital projects, the Building Inspection Department typically uses these reserve funds for vehicle purchases.

LILLARD stated that it was a recommendation of the auditor and he was in favor of the motion.

BOZARTH stated that his confusion would warrant a no vote on the motion.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by LILLARD; BROWN providing the Second:

Motion: I move that the proposed Resolution authorizing the establishment of a Building Inspection Reserve Fund be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

LILLARD stated that he was confused of the reasons why there was confusion regarding the creation of the fund, as he believed it was the same type of fund that was previously approved on agenda items 7.b. through 7.e. and the fact that it was recommended by the auditor and created a more transparent budget.

At the Mayor's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, ESTABLISHING THE NEED FOR A BUILDING INSPECTION RESERVE FUND FOR THE CONSTRUCTION, RECONSTRUCTION, AND THE FURNISHING OF MUNICIPAL BUILDINGS; AND THE PURCHASE AND REPAIRS OF EQUIPMENT RELATED TO BUILDING INSPECTION [4726]

VOTE

MSC. FOUR (4) of the Councilors present voted in favor; BOZARTH, LACKEY and POINTER voting against.

g. Consider: Appointment of Union County Tourism Advisory Committee

Steve CLEMENTS, *Mayor*

MOTION

The following Motion was introduced by CLEMENTS; LACKEY providing the Second:

Motion: I move that Jim Whitbeck be appointed to the Union County Tourism Advisory Committee for the remainder of a four-year term, expiring on December 31, 2018.

COUNCIL DISCUSSION

None

VOTE

MSC. (unanimous)

STAFF COMMENTS

Brian HARVEY, Police Chief, updated the Council regarding staffing at the Police Department. LACKEY and Mayor CLEMENTS complemented the Police Chief and staff. BROWN noted that the Police Department's firing range was becoming more enclosed, to which Chief HARVEY stated it was a joint project by the Police Department and the Public Works Department.

CITY MANAGER COMMENTS

Robert STROPE, City Manager reminded the Council that the City's Budget Committee Hearings start Monday, May 9, 2016, at 6:00 p.m. in the Community Room at Cook Memorial Library and stated that Public Comment for Urban Renewal Agency Budget Committee would be held Monday, May 9, 2016, and Public Comment for the Budget Committee

General and Enterprise Funds would be held on Tuesday, May 10, 2016.

CITY COUNCIL COMMENTS

Mayor CLEMENTS stated that he appreciated the Future Steward's Calendar generated by the Public Works Department using drawings from grade school students who participated in Be a Future Steward Day.

Mayor CLEMENTS proclaimed the Month of May, 2016 as Poppy Month and May 19, 20, and 21, 2016 as Poppy Days.

There being no further business to come before this Regular Session of the Council, CLEMENTS adjourned the meeting to the Urban Renewal Agency Regular Session at 6:53 p.m. The Council is scheduled to meet again in Regular Session on Wednesday, June 8, 2016, at 6:00 p.m., in the Council Chambers of City Hall, 1000 Adams Avenue, La Grande, Oregon.

Kayla M. Nichols
Assistant to the City Manager

Stephen E. Clements
Mayor

APPROVED: _____