

North Powder City Council Special Meeting
March 30, 2021
7PM Grange

Attendance: Mayor Mike Wisdom, Councilors Logan McCrae, Justin Wright, Vicki Townsend, Jeff Grende, Mike (Big Mike) Morse & Joyce Lawyer, City Recorder Beth Wendt

Others: Susan Wirkkala, Doug Forman, Sherry Hart, Carolyn Flynn, Cecilia Lovely, Carol Bouchard, David "Shorty" Schwehr, Tony Lasich, Linda Dixon, Faye Moore, Mike & Sue DeHaas, Dick Alexis, Hilary Wright, Tana Cossett, Jane Wisdom, Cody Anderson, Robert & Kathy Clark, Jeff & Wynn Nielsen, Colby Thompson, Dan & Casey Townsend, Mike & Lynn Borisoff

Mayor Mike called the meeting to order. The Pledge of Allegiance was said.

Mayor Mike noted there was only one thing on the agenda for the evening; to consider and discuss a resolution to purchase the Rural Fire District's part of the fire station. He assured everyone that all who wanted to speak would have a chance to make comments before the meeting was over. He read into the record letters received from citizens. Cecilia Lovely felt there were other options to be considered. The second letter was unsigned, but the writer suggested the City consider purchasing the empty lot on the corner of 2nd and E Streets and put in a pre-fab modular building with a basement for City Hall and the Library. The next letter came from Glenda Carter who felt the purchase of the fire station was not a sound investment for the City. She also suggested purchasing the lot on the corner of 2nd & E Streets. The fourth letter, un-signed, wondered why the Council went against the survey sent out last summer in which the majority of the votes were in favor of purchasing the Odd-Fellows building. Next was a short note asking if collusion or fraud was discovered who would be held liable. Maggie Guthrie submitted comments in favor of moving forward with the purchase for the Library. Lisa Aichele felt it was a waste of taxpayer funds to purchase the fire station. Sherry Hart agreed that we need a larger, safer Library but felt the priorities were mixed up and the fire station was not a good choice. The last written comment was from Councilor Vicki Townsend noting that it is important to get community in-put but she asked that people come to the meeting with an open mind.

Vicki added that she appreciated all of the comments and agreed there was truth to every one of them. She has been in contact with Lynn Hancock from the Libraries of Eastern Oregon Foundation and Vicki thought we could get a grant for at least \$100,000 for the Library by using the purchase of the fire station as a match. Arlington & Milton Freewater have done something similar in turning old fire stations into Libraries with this grant money. Vicki has passed the information on to Maggie. Joyce commented that she has been checking on some Community Grants from Salem. There is money coming to North Powder but we don't know how it can be used.

Mayor Mike read into the record a letter from the City Attorney, Dan Van Thiel, regarding purchase of the fire station. He felt it was important to the discussion and any decision made. Mr. Van Thiel advised that the City receive a preliminary title report prior to acquiring the property and the purchase price should be negotiated based upon an analysis and appraisal of the fair market value. We are dealing with public funds and they are subject to audit and scrutiny of why the City paid what we did. Mayor Mike added that he talked with the LOC attorney, Patty Mulvihill. Patty agreed that closing costs and fees are normally paid by one party or another, or it can be done jointly. She also agreed that we need to have a clear title to the property if the choice is to proceed with buying the property. Mayor Mike wondered why we hadn't done that already. He felt very strongly that the issue of the title should be addressed before the City does anything more. Logan noted that a lot of times transactions like this are handled through the title company. Vicki clarified it would be in the realm of closing. Mayor Mike said Eastern Oregon Title can do a basic title search but it is not a high priority and would take about 30 to 60 days to complete. A full-blown title search would cost about \$650 to \$700. Logan remarked that the original

proposal said the City would cover the closing costs. Carolyn Flynn thought that would depend on passage of the resolution to purchase the building. She thought we were going to discuss other options. Mayor Mike said the resolution was still in draft form and we were here to discuss everything. His concern was that we don't know if there is a clean title. Jeff G. interjected that we were here to discuss the purchase of the fire station, not other options. If the resolution doesn't pass, we will move on to something else. Mayor Mike agreed that the topic on the table was whether or not the City will proceed with the purchase of the other half of the fire station. Vicki noted that there was a motion at the last meeting to proceed. She wondered if it was still viable. Mayor Mike assured her it was, but if the Council is prepared to act on the motion, we would be doing it without a clear title to the property. Logan thought it was no different than if you make an agreement through a realtor and the deal doesn't close until the due diligence is done and a clear title comes back. Mayor Mike commented that the motion from the last meeting was to proceed with the purchase of the Rural Fire part of the building unless something drastic came back out of the reports. Vicki noted that everything follows a process and her motion was to purchase if the reports came back satisfactory. It involved every aspect of the purchase, right up until closing. Jeff G. clarified that it is one more way out. If there is not a clear title, it will have to be cleared before the deal closes. Mayor Mike asked if there was nothing in the reports that was of enough concern to "kill the deal". Joyce was still concerned that the floor is not level. Logan interjected that the inspector felt there was no reason to believe the building is not sound. Mayor Mike was concerned that the structural engineer was not able to do a thorough inspection because the floor was covered with wrestling mats. It was recommended in the building report that we have a structural engineer look at the floor because it looks as if it has settled in some places. That was not able to be done. He wondered if the Council was comfortable with the report the way it is. Doug Forman asked about the roof inspection. Mayor Mike said it had been completed. It appears that there has been water getting into the building on the SE corner at the downspout where the soffit is coming apart. Mike DeHaas commented on the slope of the floor. Mayor Mike explained the reason for the slope was for water drainage for the fire trucks. Vicki noted that it is ADA acceptable. Jeff added that it is less than the ¼" per foot for ADA compliance. Mayor Mike wondered why the structural engineer didn't do any boring, particularly on the City side. Vicki asked the Mayor to read the conclusion from the structural engineer. The primary cause of the crumbling block was water intrusion inside the block wall from the roof and damaged soffit. At the time of the evaluation, the block wall did not appear unsound or unsafe. It was recommended that the soffit be repaired and during the repair, further investigation be done to determine if water could have found its way into the block wall. Mayor Mike noted that it was the same thing we got last summer with their cursory inspection. He wanted to find out why a more in-depth inspection was not done. He was concerned about what would happen if the Council accepted the inspection and something happens because due diligence wasn't done. He stressed that he was diametrically opposed to the purchase of the fire station but he will still be guilty by association. He didn't feel 100% positive that we have done out due diligence. Vicki felt the soffit repair was a given regardless of anything else. Mayor Mike noted that the Council agreed that 3 to 5 years was a reasonable period to get out of the current building. He didn't like rushing a decision when there may be another option. Several people have asked why the City is buying something we don't need. Personally, Mayor Mike agreed. He had 3 certified contractors look at the City's side of the building and a very basic estimate to lower the ceiling, level the floor, frame in the walls, etc., was about \$280,000. He wondered why the rush. We have had meetings where we've been told that the Rural Fire Department isn't in a hurry but by the end of the meeting, that has flipped and we need to hurry up and make a decision. When the City first decided to make a proposal, we offered \$75,000 for the Rural Fire Department's half. Mayor Mike didn't know where the number came from, but the counter proposal came back at \$87,500. He asked a realtor what an empty commercial property was going for and was told you would be lucky to get \$25 per square foot. The building is approximately 2000 square feet. He

wondered why the Council was so quick to agree to \$87,500 without more discussion or negotiations. He was told there was a reason for \$87,500 but it couldn't be talked about. Logan explained that the Rural Fire District wanted \$100,000 and \$87,500 was in the middle between \$75,000 and \$100,000. Mayor Mike reiterated that there was some curiosity as to why there wasn't more negotiations. Mayor Mike opened the floor to public comment. Linda Dixon noted that she sent a letter but it didn't make it in time for the meeting. She was not in favor of purchasing the fire station. She also wondered why there was such a hurry and no counter to the counter-offer. Since we already own part of the building, why not just use the part we own. She also suggested we could set up a temporary office for City Hall while the current building is torn down. The Library may have to be closed for a time while we do something different. We could use the money for that instead of buying something we don't need. Linda wondered why the Council was even voting on something that so many people have concerns about and we don't know if there is clear title. That should have been done before anything was voted on. In her experience, grants are available for Libraries but for City Hall. She felt it was a waste of City money and there shouldn't be a rush or any secrets.

Carolyn Flynn agreed with what Linda said. There are so many open questions. The City already owns property and we don't need to buy more. The existing building could be torn down and replaced with a modular that would accommodate both City Hall and the Library. It could be set up to face E Street instead of 3rd. She thought a modular would cost about \$80,000 and it comes complete with electrical wiring and a foundation. It would be up to the Council to decide how big the building would be. Big Mike wondered how much more room is needed for City Hall. Carolyn thought the Library would take up most of it with a section for museum pieces. She didn't think the City needed to spend money on all the repairs. A modular could be done and ready in a month, not 3 to 5 years.

Susie Wirkkala wondered why the Library had to be attached to City Hall. Mayor Mike said it doesn't. Dan Townsend wondered if there was a chance that the City would consider re-zoning the Fire Station to make it more sellable. They would like work with the City but they do have some other ideas and options. Beth interjected that because it is a land use decision, he could not ask the Council that at this time. There is a process that has to be followed and it is the same as asking them to make a decision before an application has been received. That is not to say that it can't be done, but this was neither the time nor place to discuss it. Logan noted that it has been discussed as a possibility for the City's side of the building. Beth reiterated that it still has to go through the process, even for the City. The Council cannot give any indication of a decision without an application. Dan asked if an inspection was done on the entire building. Mayor Mike said yes. However, it sounded like the majority of the water issues were on the City's side. Dan commented that the Rural Fire Department side was not an empty shell because it has plumbing, bathrooms, walls, and heating.

Mike DeHaas wanted to know who voted on this. He thought there might be a conflict of interest of council members who want to push the fire hall. The City would like to be annexed into the RF District and they never mention that but they go up on their rates. He thought Haines was the first fire department to respond to a local fire last summer. Dan unequivocally denied that. Mike D. thought they wanted to push the building on the City no matter what.

Faye Moore remarked that \$200,000 was a lot of money. She wondered if only the Council got to vote. Mayor Mike noted it would be a Council decision. Jeff G. commented that if we were looking for a bond, it would go to the citizens, but we aren't asking for a bond. Faye still felt there should be some place better to invest that amount of money.

Jeff Nielsen said he and Dan Willitts had been asked to participate in the feasibility study. Jeff N. was present for the building inspection and when the structural engineer looked at the building. They discussed different things that would need to be done to make the building workable as an office and Library. He asked about the heating situation and was told we couldn't put up stud walls with insulation. The engineers thought we would need to use treated lumber to prevent black mold because

of water intrusion. The damaged walls would need to be replaced before we could do anything. It was difficult to determine if the building was level as well as the condition of the soffits. The roof life was another issue. The main thing the engineers were concerned with was water damage and lack of maintenance. They didn't think the building would fall down but the soffits need to be replaced and repairs done to the floor. Jeff N. thought the committee was supposed to do a cost analysis with basic maintenance to be able to move in. He thought the roof would need to be replaced in another 3 to 5 years, according to the life expectancy. The down spouts are not working. He estimated it would take \$50,000 to \$100,000. After talking to a realtor, Jeff N. noted that Dan Willitts felt the entire building wasn't worth more than \$100,000, partly because of the limited use possibilities because of zoning. Linda Dixon wondered who on the City Council was also a member of the Rural Fire Department. Justin is the only one. She wondered about a conflict of interest. Logan stressed that he is not a member. Vicki added that her son is part of the Rural Fire Department. Shorty interjected that a conflict has to do with someone getting paid or receiving money for something.

Kathy Clark came to the meeting with an open mind because she heard so many different things. She felt there were too many questions about the suitability of the fire station. Our small town has a small budget and the citizens deserve to have the best possible people representing the town and should take their best interest into consideration. Vicki thought that was nice statement but she wanted people to see the Council's side. Every time we get an inspection, it triggers something for another one. Kathy thought there were a lot of things that could be found with a title search. Vicki commented that every time we have an inspection, it costs another \$500 to \$800. Cecilia Lovely thought the citizens had a right to know what is there. Vicki agreed but for whatever reason, we are not getting a full inspection at any point. Kathy interjected that the title inspection was really important. Shorty returned to the question of why buy something we don't need. Why not take the \$87,500 and put it into something we already own. Carolyn agreed. Kathy noted there is an issue on the table that needs to be dealt with but it needs to be done right. Vicki wondered what more should be done. She thought the title search would come with the process. Kathy thought it should have been one of the first things.

Mayor Mike interjected that the issue of a City Hall and Library is nothing new. The City has had opportunities in the past that were not taken to have acquired property. The bulk of the money that we are talking about would come from the City's General Reserve Fund. According to the City's accountant, it would take at least 6 to 7 years to replace \$100,000. If we pull that out and continue to divert the funds we have been putting into savings to use until we can get grants, it will take even longer. Sue De Haas clarified that is from the General Fund only. Mayor Mike understood that there are not a lot, if any, grants available for a City Hall. Carolyn wanted to know how you can get grants approved when you don't have all of your ducks in a row. Jeff G. commented that we budgeted \$120,000 for the purchase of something for a City Hall and Library. Linda Dixon wondered what would happen to the old Library building. Mayor Mike said that hasn't been discussed.

Doug Forman asked if anyone knew who was the author of the flier that was circulated. Mayor Mike said he provided some of the information from Council minutes. Jeff N. said it was a group effort. Mayor Mike thought all the information could be verified. Doug thought the prices were inflated to get a result. Mayor Mike noted that the prices were an average of what he was given by some contractors. It wasn't even a complete estimate. Doug didn't think that painting walls, closing in holes, and putting in lights would cost anywhere near \$200,000. Mayor Mike reiterated that the estimates came from contractors and they were available for anyone to look at.

Robert Clark asked if there was going to be a vote. Mayor Mike said he was going to ask the Council. Shorty remarked that there was \$120,000 budgeted to purchase something but it doesn't mean we can't use it to fix up what we already own. Even the City part of the fire station is more than what we currently have. Jeff N. added that Dan Willitts has said repeatedly that we are paying too much for the

building and we don't have the money to make it functional. Linda Dixon asked if we were only looking at 1/3 of a building. Mayor Mike clarified that it is just about half.

Mayor Mike asked what the wishes of the Council were. Big Mike thought we should look at buying the lot across from the Post Office, on Second Street, and build new City Hall and a new Library. They could be built to the City's specifications and we would have a brand new building and wouldn't have to worry about fixing something. Cody Anderson noted that the price of building new, using lumber, is about \$250 per square foot. Faye Moore asked who owns the park next to the Library where the gazebo is. If the City owns it, why not build there and not buy another lot. Sue D. noted that the City only owns to the alley.

Jeff G. didn't want to go back to the beginning. We started looking at purchasing something last summer. We looked at another building first but it didn't seem suitable so we moved on to the fire department with \$120,000 in mind. We offered \$75,000. It has a real market value is \$97,600. We started to get inspections and decided to get more in depth inspections. Both came back and the Council decided it was not as bad, and they decided to move on. A committee was put together to go over options of what can be done with the fire department side. There were diagrams drawn up and lists of what the City needs and can afford. He was asked to get prices for the fire department side. He got bids from 2 different contractors that were submitted to the City Council. To finish the fire department side for an office building, replace a couple of doors, all the windows, etc. was \$34,000. It was for different things, and didn't include lowering the ceiling. It is all doable for the money we budgeted. He assume most people were here because of a letter that was passed around. This has not been a spur of the moment decision.

Joyce remarked that she was also on the committee. She still felt the floor should be leveled. The inspector recommended that repairs should be done on the outside before we worry about the inside. The soffits need to be replaced. She was not totally against purchasing and fixing the building but she was concerned that City didn't have money to do it. Jeff noted that the quote he gave was only for the City Hall portion. The Library has more potential to get grants. Joyce reiterated that he was really only talking about fixing the inside and not the outside. Shorty asked if the bids were written. Jeff said one was from Kmetic and the other from Bill Harvey. Mayor Mike asked what the tax was on the bid. Jeff didn't know, but when we get a final estimate, we will have to ask.

Logan reiterated that it has been a long process. We have been thinking about it for almost a year. The quotes and estimates were based on a layout from the committee. That was the agreed on quote and it came back favorable to purchase the half of the building and put City Hall in there using the money the City allocated to do that. As for the idea of buying something we don't need, he encouraged people to look at the building the Library and City Hall are in and understand that we have to use the Grange for our Council meetings. He would prefer that we have our own meeting space. It has been talked about for 30 plus years to get out of the building we are in. One of the original options was to spend \$120,000 to try to prop up the current building. Questions that have repeatedly come up are based on opinion rather than fact, and that is great. Everyone is entitled to an opinion. He didn't think the floor was that big of a concern? It won't end with the purchase of the building and getting City Hall moved in, but working to get the Library in at a later date. The City needs to dedicate funds for maintenance which has been a huge issue. He appreciated that the Public Works Department has been hammering away on the water and sewer systems. A motion was made at the last meeting to purchase the building if it was found to be structurally sound.

Linda Dixon asked if we were only looking at fixing up the City Hall part. Jeff G. said it was the portion that has bathrooms on the rural fire side. He wasn't asked to get a quote for the Library side. Linda asked if that meant the Library was just going to be left hanging, hoping for grants. Jeff didn't know at this point. He hoped that wasn't the end result.

Carol Bouchard asked if the Council is supposed to represent the towns people and the majority don't seem to want it, why are we going ahead with it? The survey showed a majority in favor of purchasing Sharon Stanford's building. So why ask the people's opinion if you are going ahead with what they didn't want. Logan agreed that the majority did vote to go with the Odd Fellows Hall, about 53% to 47%. Sharon asked why we didn't get that building. Jeff G. wondered how informed people were before coming to this meeting. There was a letter handed out by someone who has an agenda already that doesn't necessarily have the right information in it. We have had a lot of meetings that only a handful of people attended and now you want the Council to take a vote based on a letter. Linda Dixon added that the Mayor put the information in the letter. Jeff thought he would have known that we had inspections by the time the letter was sent out. Linda added that it sounded like the inspections were incomplete. Joyce commented that the last inspection couldn't be completed because of the mats on the floors. Logan thought if they wanted to look at the floors they could have easily rolled the mats out of the way.

Mayor Mike asked what the Council wants to come out of this meeting. Beth noted that if the Council decides to proceed with the purchase, we have to pass a resolution to purchase property. The League of Oregon Cities provided us with a draft resolution. If there are changes that the Council would like to make, we can have a Resolution ready for the Council Meeting on Monday, April 5th. The Resolution must be read into the record before it can be passed. Vicki was concerned about the title search. She wanted to be sure it was a "given". She made a motion to accept the resolution. Beth reiterated that it can't be voted on until it is read into the record. Mayor Mike noted that the Resolution was a draft and wondered about a resolution number. Beth thought we could assign a number. Jeff asked if the resolution was for a specific property or if it was for any property. Beth explained it was for a specific property because the attachment has a property description. Logan wanted to read the resolution into the record. Beth assigned number 2021-R1. Logan read resolution #2021-R1, a resolution to acquire real property for public purposes and giving the Mayor the authority to carry out the necessary steps to acquire the property. The resolution is effective upon passage. Jeff G. made a motion to accept Resolution 2021-R1. Logan seconded. Motion carried with 5 in favor. Joyce was opposed.

Meeting adjourned at 8:43PM.

Respectfully submitted,

Attest:

Beth Wendt
City Recorder