

**North Powder City Council Meeting
June 6, 2022
7PM Wolf Creek Grange**

Attendance: Councilors Mike Morse, Logan McCrae, Justin Wright, Joyce Lawyer, and Jeff Grende, City Recorder Beth Wendt, Public Works Rick Lawyer, Librarian Maggie Guthrie.

Others: Barbara Weeks, Susie Wirkkala, Mike Schoeningh, Lisa Dawson, Shorty Schwehr, Jeff & Wynn Nielsen, Dave Hoene, and Dave Rose.

Mayor John Frieboes and Councilor Vicki Townsend were absent.

Council President Mike Morse called the meeting to order. The Pledge of Allegiance was said.

Public Comment: None

Agenda: Beth asked to add a Solutions Survey to new business and the Fire Department Contract to old business. Jeff made a motion to accept the amended agenda. Justin seconded. All were in favor.

Minutes: Mike asked for a motion to accept the minutes of May 2nd and the minutes from special meetings on May 23 and May 31, 2022. Jeff moved to accept the minutes of the meeting on May 2, 2022 and the two special meetings on May 23rd and May 31st. Logan seconded. All were in favor.

Accounts Payables: Beth noted that an extra page was added to the Accounts Payables. There were 5 additions. The only correction was for Eagle Office Concepts which came to \$103.12 instead of \$117. The total AP came to \$16,350.72. There was an added invoice to the Wastewater Project grant bills from Anderson Perry & Associates which brought their total to \$6,669.87. The total grant bills was \$9497.47. Joyce made a motion to accept and pay the bills. Logan seconded. All were in favor.

Library: Maggie reported the Library made \$150 on the Library Book Sale. They finally got through sorting all of the boxes of books in storage. The Library received a nice donation from Randall Taylor, from Washington.

The Summer Reading program will start June 13th and goes thru August 5th, for kids grade 5 and under. Maggie will send donation letters to Roaring Springs and Anthony Lakes for the Huckleberry Festival raffle baskets. They are selling tickets for half of a pig. The Library will only participate in the first day of the Huckleberry Festival so the drawings will be on Saturday, July 30th.

Movie nights have been scheduled for June 24th and August 13th. If scheduling can be worked out there will be a Movie Night in July as well. The June movie will be "Sing 2".

The application for the La Grande Community Library Foundation Grant has been submitted asking for \$3000. Maggie wants to revamp an area for toddler story time with cushions & a couch.

Jeff asked if the Library hours were posted. Maggie said they are posted at the Library an on-line.

Public Works: Rick reported that another injection was done at the lagoons. Numbers on ecoli and ammonia have been good. The lagoons are flooding due to rain and high water in the river and springs. He had to work a few hours on Sunday to redirect some of the water.

Alarms at the well have been going off and we are starting to see failed meters. They are supposed to have a 20 year warranty but some of the batteries are dying. Rick is working with H.D. Fowler to get replacements. He would like to get extras to have on hand.

Rick and David are still working on DEQ reports. The DMR report is due the 15th.

Rick is waiting on parts and a manual for the VAC truck.

Rick felt the main problem now is keeping flood water out of the lagoons.

Jeff wondered if we needed to replace the batteries in all of the meters. Rick said not all at once. They will be replaced as they fail.

Jeff asked if he was using the ecoli equipment. Rick said it was used a lot when the numbers were high, but they haven't needed to since the numbers went down.

Rick noted that the lagoons are raising about 1 ½" per day so we need to start irrigating.

Huckleberry Festival: Joyce noted there will be a meeting on Saturday, June 11th at 3PM at the Grange.

Ordinance Enforcement: Beth reported that Shawn has been making rounds on weekends. We are making headway, but we are still working on things. Joyce wondered if anything was to the point of issuing citations. Beth said not yet.

Recorder Report: Water overages in May came to \$133.66. We used 1,105,983 gallons of water. Beth reminded everyone of the Special Council Budget Meeting on Monday, June 20th at 6:30PM at the new City Hall. Copies of the approved budget are available at City Hall and on the City website. Beth noted that the estimate for liability insurance includes \$650 for Cyber security. Up until this year, CIS has provided it for no charge. Logan felt that since the company that does our computer maintenance has some cyber security measures in place, it wasn't necessary to pay that at this time. The rest of the Council was in agreement.

Mayor's Message: None.

New Business

Budget Resolutions: Beth noted it was discussed in the Budget meeting that we are really close to overspending on payroll this year so we need to do some budget resolutions to transfer contingency money into the payroll line item in the General Fund, Water Fund, Sewer Fund, and Street Fund. Beth read budget resolution #2022-R2 resolving to transfer \$1719 from the General Fund contingency account to the General Fund Payroll adjustment account. Logan moved to accept Resolution 2022-R2. Jeff seconded. All were in favor.

Beth read budget resolution #2022-R3 resolving to transfer \$2544 from the Water Fund contingency account to the Water Fund Payroll adjustment account. Logan moved to accept Resolution 2022-R3. Justin seconded. All were in favor.

Beth read budget resolution #2022-R4 resolving to transfer \$3196 from the Sewer Fund contingency account to the Sewer Fund Payroll adjustment account. Logan moved to accept Resolution 2022-R4. Justin seconded. All were in favor.

Beth read budget resolution #2022-R5 resolving to transfer \$535 from the Street Fund contingency account to the Street Fund Payroll adjustment account. Logan moved to accept Resolution 2022-R5. Joyce seconded. All were in favor.

Water/Sewer Rates: Beth suggested the Council start thinking about whether or not they want to raise water and sewer rates. She didn't think a vote could be done until the new budget had been adopted. Logan asked what Jason's recommendations were and if the new budget included wage increases. Beth said yes. Jason suggested \$5 on water rates and \$10 on sewer. She checked with the Oregon Utilities commission and found out that cities are not regulated and can set their own rates. Joyce thought there were at least 7 places that were not paying their fair share of sewer rates. Beth noted that we are budgeting to overspend about \$27,000 in the sewer fund. Dave Hoene commented that Jason was concerned about the contingency fund. He agreed that we need to raise rates to build it up. Beth added that a \$10 increase in the sewer rates would cover the projected expense increases. If we do a \$5 increase, we will be about \$14,000 short and we would have to take that from our reserve fund. We always try to budget for the worst case scenario, so typically we don't usually spend everything in the budget. But this year, inflation hit harder than expected and we have just about spent everything in the budget. Dave interjected that we can't afford to go in the hole. The two most important things in the city are fresh drinking water and the sewer system. Rick noted that we're still using chemicals and doing

treatments. Logan clarified that DEQ fines come from the sewer fund so if we have to pay more fines they are going to get higher and higher. Rick noted that the injections to the lagoon are about \$3000 each but we are gaining on our MAO. Logan wondered how many camp trailer/RV permits we have. Beth said currently we have none, but there are a lot of RVs popping up all over town. Logan added that Shawn is supposed to be helping us with that. The permit process includes a charge for water and sewer. But we still need to up rates to stay viable. Payroll, fuel, and materials are our biggest costs and they have been going up. Joyce remarked that RVs are only for 3 months, and that is revenue, but the others would be a steady year round income. Logan suggested the water rates be increased by \$5 per month and the sewer rate by \$10. Beth will prepare a resolution for the next meeting. Joyce wondered if we could get a DEQ grant to pay for chemicals at the lagoons.

Solutions Surveys: Beth noted that Solutions CPAs, our City auditors, sent a survey for the Council to fill out. The questionnaire asks if any Council member is aware of, or suspects any fraud, and what they suggest might be done to minimize the risk of fraud. A confirmation of receipt of the surveys was passed around for Council member signatures. Beth added that the questionnaires need to be filled out and returned directly to Solutions CPA's or to City Hall so they can be returned.

Old Business

SCA Grant: Beth noted that we talked last meeting about asking Knife River Construction to do our 5th Street project, but we need to have at least 2 more bids because we can't do it intergovernmentally. Logan suggested asking Roger's Asphalt and possibly R.D. Mac. Other suggestions were Hampton's in Baker, Brooks Paving in Salem, & Tidewater in John Day. Jeff wondered what happens if the bids come in over the grant funding. Beth thought either the City would be liable for the difference or we can adjust the scope of work.

Playground: Beth reported that the playground dedication was May 12th. The kindergarten thru 2nd grades came and they played for 30 to 40 minutes and had a great time. The picnic table and garbage can are here but we are still waiting for the park bench. The dedication sign should be here next week.

City Hall/Library Update: Logan commented that the City Hall is almost done. He thought we should be able to move in by the end of the month. Over all, the project is a little over the budgeted amount of \$50,000 but we are still within our \$60,000 contingency.

Maggie introduced Lisa Dawson from the Northeast Oregon Economic Development District (NEOEDD). NEOEDD will be working with the Library to apply for grants. One of the most likely funders for the library project is the Ford Family Foundation. One of the requirements of the Ford Family Foundation is community involvement and support, both verbal and financial. There are two things that need to happen before the project can proceed. One is for the City and the library board to decide what will be done and where. The other is to get cost estimates. Then NEOEDD can begin to help with project description, financing plans, time lines, grant writing, etc. There is some money available through the state to help with grant writing services. Maggie interjected that there are also technical assistance grants available. Lisa estimated that it would most likely take at least 1 ½ years to complete the project, but 2 ½ years is probably more realistic. Maggie added that the City will have to do a certain amount of funding raising. Jeff wondered how much that would be. Lisa said it could be a percentage or an actual dollar amount. Logan thought since the City owns the building it could be used as a match. Lisa agreed. The budget would be built to account for the value of the building. There are different ways to show the community is behind the project. Joyce noted that Maggie already put out donation jars. Jeff wondered if donations should be documented to show community support. Lisa thought it would be helpful but not necessary. Jeff wondered what we could do to promote interest. He suggested it could be incorporated in the dedication of the new City Hall. Maggie added that the Ford Family Foundation

would like to do something with kids. Joyce suggested a float in the Huckleberry Parade. Logan asked if we'd need to hire a project manager or does NEOEDD do that. Lisa said they will do grant administration but they are not qualified to manage the actual construction. Logan thought John Frieboes might be willing to oversee construction. Beth asked if the first step would be for the Council and library board to agree on a floor plan for the building. Lisa thought so. Maggie remarked that the library board would still like to have a meeting/conference room in the middle and expand the building by 24' (toward 3rd Street). Barbara Weeks passed out a floor plan for the library if it was put in the building as it is now, including a division wall for the conference room. She didn't think it would meet any of the State requirements and still have room for books. Logan wondered if the proposal was to do the library in more than one phase. Lisa felt it was generally best to not do multiple phases. Discussion continued as to whether the division wall for a meeting room should be added later or done as part of the project. Logan thought it should be settled before we start applying for grants. Dave wondered why the library couldn't be used for meetings. Jeff noted the proposal was for the Library to have access to the multi-purpose meeting room. Beth interjected that we would need a large open area without shelves and other furniture that would be big enough to hold meetings. Logan noted that we are talking about a meeting area that would be about 26'x40' which is less than double the area in the Grange. We don't always use all of the space in the Grange, but there are times when more space is needed. Jeff liked the idea of expanding but would like to see a floor plan for the whole space including the addition. However, he didn't like the idea of taking 2 ½ years to get it done. Joyce was confident that we can get the necessary funding. Lisa thought if the community room was the addition it would probably save a lot of money. Joyce thought we should leave a section of wall at both ends so as not to weaken the wall. Lisa felt we should get an engineer's opinion of what the options are. Logan clarified that the City would be the signer on the grants so the City will be liable if something happens. But that is as it should be since the City owns, and will continue to own the building. Beth wondered what needs to be done so the project can move forward. Logan commented that the City needed to take ownership of the project and the library board can provide in-put. Maggie asked if the Council would approve the extension so they can get started. Logan asked who would pay for an engineer. Maggie said that would come from a technical assistance grant. Lisa thought it would take about a month to get it. Logan supported the 24' addition if we get an engineer on board. Logan made a motion to allow the library board to move forward with securing funds to hire an engineer to identify options and start answering questions and any City property south of existing building could be considered in the options. Jeff seconded. All were in favor.

Lisa asked if the City had an engineer of record or would we prefer to look for a potential architect. Beth commented that our engineer of record tends to be Anderson Perry and Associates, but she wasn't sure this was the type of project they usually do.

Wastewater Project: Beth reported that we have a letter ready for the Mayor's signature to apply for an additional \$50,000 to be added to our CDBG grant. She and Nick (Ducote) are working with Business Oregon to prepare an application for a Water/Wastewater loan/grant. They are also working on other grant options and looking at options of how we could adjust the project if we don't get additional funding.

Fire Department Contract: Beth reminded that the Fire Department contract expires the end of the month. The RFD proposed a 5% increase and that was included in the new budget. Logan moved to accept the proposed 5% increase for one year. Justin seconded. Logan, Justin & Jeff were in favor. Joyce was opposed. Joyce would like to meet with the Rural Fire board. She would like to see more communications between the Council and the RFD board.

Council Comments: Joyce reported that she called about the Burkel grant for the roof of the fire department. They will extend it, but it is okay if we use it to take the gutters down and put plastic on. Logan agreed that there are rafter tails and soffits that need to be fixed. Joyce added that if we get that done, we could apply for another grant.

Mike noted that at the last meeting he talked about a citizen who passed away and he was thanked for saying what he did. The person was well known and beloved in the city.

Meeting adjourned at 8:42PM.

Respectfully submitted,

Attest:

Beth Wendt
City Recorder