

LA PINE CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, March 8, 2011
Special Meeting - 6:00 p.m.
La Pine Senior Activity Center
16450 Victory Way
La Pine, Oregon 97739

1. Call to Order
2. Establish Quorum
3. Pledge of Allegiance
4. Public Hearing – Ordinance No. 2011-01
An ordinance declaring that the parts of the La Pine Water District and the La Pine Sewer District which were theretofore incorporated as or annexed to the City of La Pine are withdrawn from the Districts pursuant to ORS 222.524; and declaring an emergency.
 - a. Open public hearing
 - b. Staff report or summary
 - c. Public comments
 - d. Close public hearing
 - e. Council deliberations
5. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice. This meeting is open to the public and interested citizens are invited to attend. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Patti Morgan at (541) 536-1432.

LA PINE CITY COUNCIL SPECIAL MEETING MINUTES

Tuesday, March 8, 2011
Special Meeting - 6:00 p.m.
La Pine Senior Activity Center
16450 Victory Way
La Pine, Oregon 97739

1. Call to Order

Mayor Ken Mulenex called the meeting to order at 6:04 pm.

2. Establish Quorum

Roll Call:

City Manager Rick Allen
Mayor Ken Mulenex
Councilor Stu Martinez
Councilor Dan Varcoe
Councilor Adele McAfee
Councilor Don Greiner
Admin Ass't Patricia Morgan

Quorum established.

3. Pledge of Allegiance

Councilor Varcoe led the Pledge of Allegiance.

4. Public Hearing – Ordinance No. 2011-01

An ordinance declaring that the parts of the La Pine Water District and the La Pine Sewer District which were theretofore incorporated as or annexed to the City of La Pine are withdrawn from the Districts pursuant to ORS 222.524; and declaring an emergency.

a. Open public hearing

Mayor Mulenex opened the Public Hearing.

00:01:50

b. Staff report or summary

City Manager Allen gave a power point presentation for his staff report. He covered some of the following topics:

- When the City was incorporated in 2006 it included the budgets for the Water and Sewer Districts
- When the incorporation went to vote the ballot stated that the City would dissolve the individual Water and Sewer Districts
- The Utilities Committee was formed in 2009 to learn about the role of utilities in the City
- Consolidating the Districts into the City would allow infrastructures to be planned with one zoning code
- The City will look at several things (rules, regulations, etc.) in order to encourage businesses

- The withdrawal will result in One Stop Shop for permits
- Coordination of all road work with sewer and water work
- Retention of employees and equipment
- Creation of a Public Works Department would allow full utilization of the employees and equipment (i.e., snow plowing, putting in a line, etc.)
- The State allows a City to withdraw special districts
- A transition team would be formed and they would report to the Utilities Committee until the merger occurs
- Recommended the date of January 2012 for the withdrawal to occur.
- Office staff would be transferred to the new City Hall for customer's to pay bills, etc.
- All finance functions would be done at City Hall
- The current Water and Sewer Districts building would become the Public Works Department
- It is required that for one year all employees will be retained at their current level of pay & benefits
- USDA will allow the City to assume the District's loans if the Districts tell them in writing that they want the process initiated

00:25:00

c. Public comments

Brian Earls from the Water District Board gave comments from both the Water and the Sewer Districts. He read the following:

- They are committed to providing excellent service to their customers
- There is a federal law that will not allow the District's to be withdrawn without the District's consent
- They would like to continue mediation with the City to discuss employee issues, etc.
- They would like to make sure there will be no rate increases for four years
- They would like all employees from the Districts to be employed for at least four years
- The Districts are considering possible litigation to prevent the withdrawal

Rick Allen read a letter of support for the withdrawal from the Central Oregon Builders Association.

Art Uecker, business owner, read a letter from the Chamber of Commerce recommending the withdrawal of the Districts.

Ted Scholer, Chair of the Utilities Committee, expressed concern about economic development being adversely effected by the Water and Sewer Districts turning business away because of high costs. He said there had been instances of this occurring.

Cary Mathews, area resident, stated that the Water and Sewer Districts need to be incorporated into the City for centralization purposes. He commended the people at the Districts but felt it was time for them to be incorporated into the City.

Ann Gawith, area resident, said that the withdrawal needs to start as soon as possible to encourage businesses to come into the area.

Linda Bauman, area resident, stated that she would like to see the infrastructure consolidated as well.

Loretta Murphy, area resident, stated the Districts would operate much better and reduce costs by merging everything and allowing more efficiency.

Ginny Woodruff, area resident, expressed concern about the Cagle annexation and the costs that would be associated with hooking up to the sewer. She said homeowners need to be able to plan for these costs.

Kitty Shields, former Mayor, said she did not see any good reason to avoid withdrawing the Districts. She said there needs to be mutual cooperation between the City and Districts and avoid litigation that will cost the residents.

Jayne Benner, Vice Chair of the Utilities Committee, stated that it is in the best interest of future development for the withdrawal to occur.

Lee Smith, Manager of the La Pine Industrial Group, read a letter from the Economic Development for Central Oregon in support of the withdrawal as a high priority for economic development in the community.

Vic Russell, Treasurer of the La Pine Industrial Group, read a letter from LIGI in support of the withdrawal of the Districts. He encouraged the City to move forward as this is something that needs to happen.

David Harms, area resident, stated that the employees could be doing a lot more service to the community with the consolidation. He said it would also save money as some work would not need to be sub-contracted out.

00:58:54

Stefan Strutz suggested making new Districts to compete with the current Districts.

Gordon Wanek, area resident, stated that the cost to hook-up to water and sewer is very high and needs to be reduced so more businesses and residents will come into the area.

Vicky Jackson, area resident, stated that there will be large costs for people to hookup to the utilities in the Cagle Subdivision.

Art Uecker, area resident, stated he does not understand that since the City would be obligated to keep all employees for one year and have no replacements for those employees than why should it be such an issue.

Cary Matthews, area resident, stated that the costs to hook-up to the utilities in the Cagle subdivision would be very high and could even be in the thousands.

Loretta Murphy, area resident, stated that the people in the Cagle subdivision need an opportunity to discuss whether they would want the annexation before it is done.

BarbeAnn Nelson-Dodson, President of the Water District stated that rates are set based on the money loaned by USDA (United States Department of Agriculture). She said she was glad to hear from the public at this meeting and acknowledged that the comments were all positive for the withdrawal to occur.

01:10:50

John Thomas, Chair of the Planning Commission, stated that the Council has an offer on the table and if there is an agreement it is now necessary to work out the details.

Mayor Mulenex asked the Districts to consent to the withdrawal and to initiate the paperwork to start the USDA loan transfer.

d. Close public hearing

Mayor Mulenex closed the Public Hearing.

e. Council deliberations

Councilor Varcoe stated that the Council feels strong about protecting the residents. He said there is no reason the withdrawal process cannot move forward if the City and Districts work together on it.

Councilor Greiner stated that the annexation will reduce the costs. He said now is the time to do it. He also discussed that the City has a balanced budget and has not raised tax rates.

Councilor McAfee asked the Districts to say yes to the withdrawal and go out with a good legacy. She said the City has never supported the Cagle Annexation.

01:17:56

Councilor Martinez stated it is time to move forward, the City needs to grow and be keeping pace with the other cities in the area. He complimented the work down by the Districts to allow the City to grow to what it is now. Councilor Martinez stated that employees will not be laid off because of the merger.

Mayor Mulenex stated that the City has not raised the rate for property taxes and he would be against any utility rates being raised outside of some kind of an emergency. He said the City would protect the District employees and that for one year their benefits and wages would remain the same.

City Manager Allen stated that the City is not doing anything to move forward on the Cagle annexation. He said to go out for four years for the same wages and benefits would be potentially harmful for the City. City Manager Allen stated freezing rates for four years could be unrealistic for the City to agree to.

Mayor Mulenex said at the City Council meeting scheduled for March 23rd the Council will vote on Ordinance 2011-01 for the withdrawal of the Districts.

Councilor McAfee stated, regarding the possible litigation that the Districts suggested, that the public favors the withdrawal and that as a rate payer she would strongly object to them taking that action.

Mayor Mulenex discussed sending a letter to the Districts to consent to the withdrawal and allow USDA to start the transfer of the loan. The Council had consensus for the City Manager and legal staff to move forward with a letter to the Districts making that request.

City Attorney Green stated that he would like to discuss conditions with the District's legal staff and put together a simple memorandum of those particular conditions from the Districts before voting on an ordinance. He said he would like to present those particular conditions to the Council prior to moving forward with the ordinance. Council had consensus for City Attorney Green to move forward on obtaining an agreement.

Dennis Carter stated that neither he nor James Newton plan to run again for the District's board. He said it was an interesting meeting.

Bob Steffen, area resident, stated that the four year commitment to maintain all employees with their current wage and benefits was absurd.

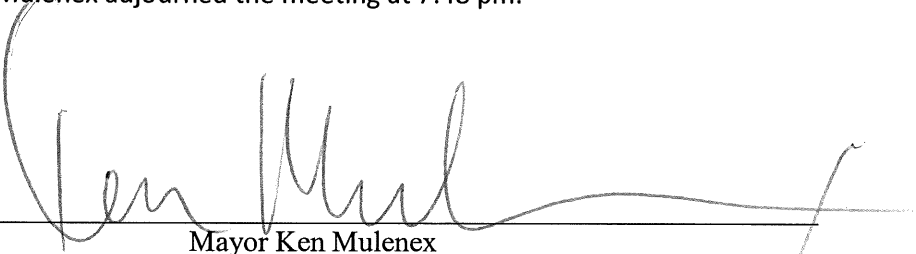
5. Adjourn

A motion was made by Councilor Greiner and seconded by Councilor Varcoe to adjourn the meeting.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Ken Mulenex</i>	<i>X</i>	
<i>Councilor Stu Martinez</i>	<i>X</i>	
<i>Councilor Dan Varcoe</i>	<i>X</i>	
<i>Councilor Adele McAfee</i>	<i>X</i>	
<i>Councilor Don Greiner</i>	<i>X</i>	

Motion passed unanimously.

Mayor Mulenex adjourned the meeting at 7:48 pm.



Mayor Ken Mulenex

Attest: 

City Manager/Recorder Rick Allen