

**MINUTES FROM  
A MEETING OF THE HINES COMMON COUNCIL  
July 26, 2022**

**Present:**

**Mayor:**

Nikki Morgan

**Council:**

Councilor Beers, Councilor Quick, Councilor Shepherd, Councilor York, Councilor Allison, and Councilor Brizendine.

**City Staff:**

Kirby Letham City Administrator

**Public Audience:**

Barbara Ormond, Judy Cross, Eldon Hart, Lori Ott, Terry Ott, Roger Hodge II, Roxane Worley, Patty McNeil, Samuel Allen, Marissa Earl, Deanna Thrall, Brad Erbe

**Mayor Morgan called the meeting to order at 6:30pm.**

- I. Mayor Morgan led the flag salute.**
- II. Approval of July 26, 2022 Agenda**  
*Councilor Beers made a motion to approve the July 26, 2022 agenda as presented. Councilor Allison seconded the motion. All ayes, motion carried.*
- III. Approval of Previous Meeting Minutes for July 12, 2022 and July 18, 2022**  
*Councilor Allison made a motion to approve the meeting minutes from July 12, 2022 and July 18, 2022. Councilor Beers seconded the motion. All ayes, motion carried.*
- IV. Accounts Payable for July 26, 2022**  
*Councilor Beers asked if the draw for Warrington Construction is the final one. Administrator Letham said no. Councilor Beers also asked if the project is still running under budget. Administrator Letham said yes. Councilor Shepherd asked about the payment to AccTech. Administrator Letham explained that is the monthly payment for tech services. Councilor Beers made a motion to approve the Accounts Payable for July 26, 2022 in the amount of \$156,545.88. Councilor Brizendine seconded the motion. All ayes, motion carried.*
- V. Public Comment: Non-Agenda Items Only (Speaking Time May Be Limited)**
  - a) Deanna Thrall, Chamber of Commerce –**
    - i. Skull 120** - Stayed within their budget.
    - ii. Glass Jar Hunt** – She has seen other cities do this. Businesses sponsor a glass jar which can be stuffed with information about the business or gift cards, etc. The jars are hidden around the community. Clues are given so people can find the jars. When a jar is found, it is returned to the business for a discount, etc.
    - iii. Strategic Planning** – July 28<sup>th</sup> & 29<sup>th</sup> the Chamber will be in a Strategic Planning Session.
    - iv. Chamber Auction** – The next upcoming event is the Chamber Auction. More information to follow.

**VI. Department Head Report – Administrator Letham**

- a) **Park Bathroom** – The engineer is supposed to have stuff for the bathroom any day for the bid package.
- b) **Lift Station** – It has been studied by the electrical engineer and they are now working on the design phase. Hope to have the designs completed this fall and release the bid package early this winter. With construction spring, late spring.
- c) **Paving Project** – Plans are to have that completed this fall.
- d) **Water Conservation Master Plan** – Due to the State this fall.

## VII. Council Business

- a) **Donation Request: The Burns Elks Lodge – Fundraiser to Replace Aging Boiler – Patty McNeil** – The oil boiler at the Elks Lodge is 60 years old and has had a lot of maintenance issues over the years. The price of heating oil has doubled this year. They are fundraising now. They are a 501(c)8, so they don't qualify for a lot of grants that are available. Councilor Quick asked how much are the Elks hoping to raise. Ms. McNeil said they're still waiting for bids. Could be anywhere from \$45K on up. The Elks do a lot for the community. Some of organizations they help are the 4-H, The Kids Club, Hospice, Can Cancer, etc. The Council would like to support this request. Administrator Letham told Ms. McNeil and the Council that he will put it on the agenda for the August 23<sup>rd</sup> meeting so the Council can discuss how much they'd like to donate.
- b) **Business Licenses (x10)**
  - i. **Hines Pine Mill House – Roger Hodge** – Going to run it as an inn and event center. Will be hosting an open house August 12<sup>th</sup> and 13<sup>th</sup>. *Councilor Quick made a motion to approve the business license for Hines Pine Mill. Councilor Beers seconded the motion. All ayes, motion carried.*
  - ii. **Basement Fabric Sale – Barbara Ormond – Home Based Business** – Selling quilting fabric & notions from her home. *Councilor Quick made a motion to approve the business license for Basement Fabric Sale. Councilor Shepherd seconded the motion. All ayes, motion carried.*
  - iii. **Rim Rock Properties – Sam Rawlins** – Mr. Rawlins was not present. Mr. Rawlins is a real estate broker. *Councilor Quick made a motion to approve the business license for Rim Rock Properties. Councilor Allison seconded the motion. All ayes, motion carried.*
  - iv. **High Desert Construction & Irrigation LLC, dba Elite Trucking – Lee Davis** - Mr. Davis was not present. *Councilors discussed that they know Mr. Davis has been in business for a while, and that he has worked with other contractors in the area. Councilor Quick made a motion to approve the new business license for High Desert Construction and Irrigation LLC, dba Elite Trucking. Councilor Allison seconded the motion. All ayes, motion carried.*
  - v. **Alpine Alarm Communications & Construction LLC – Addie Hammond** – Fire extinguisher & fire alarm system inspectors. *Councilor Allison made a motion to approve the business license for Alpine Alarm Communication & Construction LLC. Councilor Brizendine seconded the motion. All ayes, motion carried.*
  - vi. **Allen Key N Lock – Samuel Allen** – Locksmith out of Burns that serves Harney and Malheur Counties. *Councilor Shepherd made a motion to approve the business license for Allen Key N Lock. Councilor Brizendine seconded the motion. All ayes, motion carried.*
  - vii. **Marissa Earl Editorial – Marissa Earl – Home Based Business** – Freelance book and document proofreader and editor. *Councilor Brizendine made a motion to approve the business license for Marissa Earl Editorial. Councilor Beers seconded the motion. All ayes, motion carried.*
  - viii. **Harney County Watershed Council – Karen Moon** – Ms. Moon was not present. Habitat restoration, education and planning. They are a 501(c)3 maintaining an office in Hines. *Councilor Quick made a motion to approve the business license for Harney County Watershed Council. Councilor Beers seconded the motion. All ayes, motion carried.*
  - ix. **Sound Window & Door, Inc. dba Renewal by Andersen of Washington – Kathryn Marriott** – Ms. Marriott was not present. *Administrator Letham called their office in Washington but was not able to speak with Ms. Marriott. Councilor Allison made a motion to approve the business license for Sound Window & Door, Inc. Councilor Quick seconded the motion. All ayes, motion carried.*

- x. **Boise Window & Door, LLC dba Renewal by Andersen of Boise – Kathryn Marriott – Ms. Marriott** was not present. *Councilor Allison made a motion to approve the business license for Boise Window & Door, LLC., Councilor Quick seconded the motion. All ayes, motion carried.*
- c) **Resolution 2329: Re-Establishing Charges for Water and Sewer Connections** – A resolution of the City of Hines repealing Resolution 2295 and re-establishing charges for new utility connections to City services. Administrator Letham read the resolution in its entirety. *Councilor Beers made a motion to approve Resolution 2329 as read. Councilor York seconded the motion. All ayes, motion carried.*
- d) **Resolution 2330 Ordinance 332: Refer Psilocybin Facilities to Voters** – Administrator Letham presented that in November 2020 the State passed Measure 109 decriminalizing psilocybin and establishing a program for clinical use of psilocybin. This has created a program where service centers can be established where psilocybin can be administered. Five licenses have been established under this program: Manufacturing, Laboratory Testing, Prescriber, Facility, and Service Technician. The City has three options: do nothing and be automatically entered into the program; vote to pass a resolution and an ordinance that would permanently ban a psilocybin service center from being built within City limits; or a temporary ban. A resolution and an ordinance would go with either of the last two options. If the Council decides on either of the last two options, and resolution would need to be passed to refer the decision to the voters. The Council would also pass an ordinance that would go into effect after the November vote. The City Attorney said: "Because there are two options on the table with respect to the ban, (1) a permanent ban (until revoked) and (2) a temporary (2-year ban), we will provide both resolutions and draft ordinances for review and discussion at the meeting. Of course, the Council would elect one or the other, but both will be consistent with those being presented to the City of Burns. Keep in mind that the two-year ban is intended to delay implementation of psilocybin facilities and use in the City while reasonable time, place and manner restrictions can be put in place before activities commence. It is not clear at this point whether a permanent ban would be permitted at the end of the two-year ban period. This is something the Council will want to be aware of when considering the option of the two-year or permanent ban." Councilor Beers asked Administrator Letham if the attorney said whether the State could change a decision made by the City if a decision was made to pass a permanent ban. General consensus is that as an election year, it is hard to tell if the State may change decisions made by cities, or not. Clarification was made that if the Council votes to approve the use of psilocybin, then approval takes place immediately. If the Council votes for either a temporary ban or permanent ban, the decision must go to the electorate. Discussion ensued on whether the Council vote for a permanent ban at a time in the future a decision could be made to allow psilocybin, however a vote for a temporary ban could at the end of the 2-years could possibly be forced into allowing psilocybin if the option for a permanent ban at that time is not allowed. Councilor Shepherd asked Administrator Letham had spoken to leadership at John Day or Lakeview to see how they're planning to handle this. Administrator Letham said he had not. Councilor York asked if any of the Council had looked into the benefits vs. downfalls of psilocybin, Mayor Morgan said she did. Mayor Morgan said that it's not 100%, that she thinks it needs to be more proven. Councilor York said that there is some very persuasive evidence with how it affects veterans with PTSD. She said it's implemented by a doctor and is regulated by OHA. She said before the Council says no, that she hopes they will consider the people that it could impact positively. She thinks Hines made a positive decision with marijuana that Burns missed out on. Mayor Morgan and Councilor Beers both commented that the marijuana decision was different. Councilor Shepherd said she has a hard time making a decision for someone else. Councilor York said she is concerned that if every city in the state makes the same decision it could limit the options available to veterans that may make their lives easier. She also said that she thinks the OHA learned from allowing marijuana, and that they are bringing their knowledge forward for this. Councilor Quick asked who provided the information that was given to the Council. Administrator Letham said the packet handed out at the last meeting was provided by LOC. The information in this evening's packet is from OHA. Mayor Morgan pointed out that at this time there is nothing that prevents the Council from changing their decision in the future. She knows she is being cautious, but the Council has a responsibility to the public, and making decisions for people is part of being on the Council. Councilor Beers found information in the OHA packet that says a doctor is not needed for a referral for use. Councilor Brizendine said that his heart goes out to those suffering from PTSD, etc. but he does not think there has been enough research. The Council discussed

tabling the discussion until the next meeting. Councilor Beers asked how much time the Council has to get it on the ballot if that is what they decide. The Council has time to table this until the next meeting and still meet the deadline to get this topic on the ballot if the Council so chooses. Councilor Quick asked if everyone knows what they want to do. If so, put it to a Council vote. Councilor Allison mentioned not needing a medical license or prescription to get psilocybin. *Councilor Shepherd made a motion to make a permanent ban on psilocybin related businesses. Councilor Brizendine seconded the motion. Ayes – 4, Nay – 1 (York)*

**Resolution 2330** – A resolution approving referral to the electors of City of Hines the question of prohibiting psilocybin-related businesses in the City, including psilocybin product manufacturers and service center operators. Administrator Letham read the resolution in its entirety. *Councilor Beers made a motion to approve Resolution 2330 as read. Councilor Quick seconded the motion. Ayes – 4, Nay – 1 (York)*

**Ordinance 332** - An ordinance of the City of Hines declaring a ban on psilocybin-related businesses in the City, including psilocybin product manufacturers and service center operators. Administrator Letham read the ordinance in its entirety. *Councilor Allison made a motion to approve ordinance 332 as read. Councilor Brizendine seconded the motion. Ayes – 4, Nay – 1 (York)*

- e) **Nuisance Report/Fire Hazard Letters** – First, Administrator Letham received a list of properties in the City that are overgrown. He has also identified additional properties. He and Chief Spence have worked on a few of the properties on the list. A letter was sent to the remaining properties on the list that cited the ordinance and advised that if they didn't take care of their properties, the City would get it taken care of and then charge them for it. He is also having a copy of the ordinance published in the paper. Second, many residents, if not all, have received a letter from the Dept of Forestry. We have received many calls asking what this means. The letter explains to citizens that our area has been determined to be a high-risk area for wildfire. The letter states that property owners who have been notified may be required to act to "create defensible space around your home and adhere to changes to building code requirements." Residents have 60 days to make public comment and/or appeal the designation. A meeting is scheduled for Harney County Court to discuss the issue at 1:15pm July 27<sup>th</sup> at the County Courthouse. The City will add informational links to our website. Could this affect homeowner insurance rates? What kinds of changes to building codes? At this time there isn't anything for the City to do other than get information out to residents and information to the Councilors in case they are asked about the topic. **Roxane Worley** told the Council that when she bought her home seven years ago, she couldn't get a homeowners policy due to fire danger, and the policy that was written was farm insurance. When she went to refinance, they didn't want to approve her because her insurance said farm insurance and not homeowners. She has maintained her yard, however, the property owner behind her has a large vacant lot and has only mowed it down one time. She said her and her neighbors that have homes have been maintaining their lots, and the landowner, Golden Rule Farms has not. It causes their neighborhood to be in a high-risk area. Administrator Letham did mention the ordinance says, "except for natural grassland areas." He has heard from large property owners that it can be very expensive to try and mow the whole property. So, an alternative would be to create a fire line at the perimeter, so the cost isn't as much as mowing the entire thing. The ordinance excludes having to mow natural grassland areas. **Councilor Quick** mentioned defensible space. She mentioned that maybe the City needs to make an ordinance about defensible space or something. **Administrator Letham** mentioned that the State Defensible Space Code is online and has a lot of good information that the Council can look into. **Aaron Richardson** said that it is his understanding that if there is a fire on one property and it spreads to another property that it could be the responsibility of the first landowner. He also wanted to know if Golden Rule Farms had been sent a letter regarding the brush. **Administrator Letham** said at this time a letter had not been sent this year. **Mr. Richardson** said that when Golden Rule Farms purchased the property, they did mow it down, but that was seven years ago. Prior to Golden Rule Farms, the land belonged to the Garlands, and they had it as an alfalfa field that they maintained. **Councilor Quick** said this is an issue the Council needs to continue to consider. **Councilor Brizendine** said that the property could be submitted as crop rotation and the owner could get paid to not farm it. **Administrator Letham** explained that lot is within city limits and is zoned residential. **Councilor Quick** asked if there were any other large lots that would affect a lot of people. **Administrator Letham** said yes, there is a lot next to Grocery Outlet and the property owner has mowed down the tall grass. He has talked to the owner of Golden Rule Farms but has not sent a letter yet. Some of the Council

said maybe the ordinance needs to be a little stricter. Administrator Letham said maybe hold a public meeting and get ideas from the public. He also mentioned that he understood from the owner of the lot by Grocery Outlet that it was close to \$2K to mow down that lot. Multiple Council members said that should be an annual expense they budget for.

- f) **LOC Legislative Priorities** – The ballot for 2023 legislative priorities is due August 5<sup>th</sup>. Councilors are asked to email Administrator Letham with their recommendations, and he will forward to the LOC.
- g) **NOTICE: Upcoming Council Elections – Positions 4, 5, and 6** – The Council positions for **Councilor Shepherd, Councilor Quick and Councilor Brizendine** are up for election. Packets are available from Administrator Letham.

#### **VIII. PUBLIC COMMENT: (Speaking Time May Be Limited)**

**Brad Erbe** – He is concerned about the lack of regulation of Air BnBs given the shortage of housing in Hines. He said that he believes that Air BnBs should also need a business license. He is concerned that there is not an official ordinance in place given the housing shortage for people that want to live here, work here, add to the community as people buy properties to turn them into hospitality locations. He is not opposed to Air BnBs as he believes they fulfill a need. He said doing quick math that he believes the City is losing anywhere from \$30K-\$50K annually in TLT funds with these properties not being regulated, enforced, etc. **Mayor Morgan** commented that it was her understanding that if they are registered with Air BnB that they are supposed to be handled through Air BnB. **Administrator Letham** said that is not happening. **Councilor Quick** clarified that the City is not receiving TLT funds from Air BnB. **Administrator Letham** said the Air BnB is not collecting that tax. **Councilor Quick** asked how he knows that. **Administrator Letham** said he'd been researching it for several months and has been working with the City attorney. In 2018 the City passed an ordinance that was supposed to include Air BnBs and all vacation rentals, regardless of which hosting business they use. At that time, there were only two vacation rentals and then the transition of city administrator at the time. An assumption was made that that tax was being paid. He reached out to a few Air BnB hosts and asked if they would share what Air BnB was charging/collecting from them. After looking through their receipts he could see they were only getting charged the 1.8% tax that is paid to the State. So, our TLT funds were not being collected. After further research he found that in some areas Air BnB does collect and distribute the local tax for the host, however, they do not do it here. He has prepared a letter to go out to known vacation rental hosts, informing them of the discrepancy. He is suggesting the Council not collect any funds in arrears, and then start charging the tax beginning January 2023. **Councilor Allison** asked if the hosts are not required to have a business license. **Administrator Letham** said they have not been, and that is also being included in the letters. It is a business license and vacation rental registration. **Councilor Shepherd** asked how you know when it's a vacation rental vs someone coming in for work. **Administrator Letham** if you rent more than 15 days/year, you get charged as a vacation rental-on the 16<sup>th</sup> day you are now a vacation rental. **Brad Erbe** commented that any rental over thirty consecutive days is considered a tenant and not taxed. **Administrator Letham** said the plan at this point is to have a couple of public meetings in September and October to discuss vacation rentals and how the City should deal with them. **Councilor York** said she knows the State is looking at this topic due to the housing crisis. She knows Lincoln County is being looked at by the State as a vast majority of their housing market being used as vacation rentals. She thinks the City needs to make reasonable decisions before the State comes in and mandates what will be. **Brad Erbe** asked to go on record that he is not against Air BnBs. **Administrator Letham** said that every host that he spoke to thought that Air BnB was collecting the local tax, as their receipts do not break down the amount of tax and where it gets paid. Those hosts he spoke to thought they had been paying the TLT tax the whole time.

#### **IX. Mayor and Council Comments**

**Councilor Brizendine** – Kirby does an awesome job. Thank you.

**Councilor Allison** – Thank you Kirby, I appreciate all you do, too.

**Councilor Shepherd** – Thank you.

**Councilor Quick** – Asked if on the agendas there could be a section for old business. She also thanked Paula for the more descriptive minutes.

**Councilor Beers** – Touching back on the Air BnB's he said he has a problem telling people what they can do with their property.

**Councilor York** – Psilocybin...she wants to go on record that she is not looking for people to be high on mushrooms all the time. She is concerned that if everyone is too conservative on this topic it could limit the chance of a health breakthrough. She thinks people need to be open minded and willing to explore other options. She is not unhappy that this is being referred to the voters.

Next Council meeting is scheduled for August 9, 2022, at 6:30pm.

**Adjournment:**

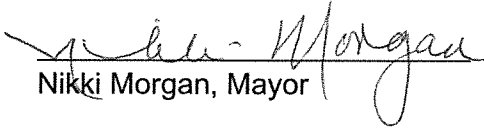
*There being no further business, Councilor Beers made a motion to adjourn the meeting. Councilor Brizendine seconded the motion. All ayes, the motion carried. Meeting adjourned at 9:05pm.*

Respectfully Submitted:

Kirby Letham

City Administrator

ACCEPTED AND APPROVED BY THE CITY COUNCIL ON August 9, 2022.

  
Nikki Morgan, Mayor