

**MINUTES FROM
A MEETING OF THE HINES COMMON COUNCIL
January 28, 2020**

Present:

Mayor:

Nikki Morgan

Council:

Councilors Duane Hutchins, Gary Miller, Hilda Allison, Robert Beers, and Ron Williams were all present. Councilor Raymond Breshears was excused as absent.

City Staff:

City Administrator, Kirby Letham.

Public Audience:

Boomer Inselman, Jeff Campbell, Ann Sampson, Ryan Dupuy, Lydia Dupuy, Leauna Dupuy, Arik Swindlehurst, and AJ Kamahwee.

***Mayor Nikki Morgan called the meeting to order at 6:30 pm and led the flag salute.**

Approval of January 28, 2020 Agenda:

The agenda for January 28, 2020 was reviewed by the Council. Councilor Beers made a motion to approve the agenda as read. Councilor Allison seconded the motion. All ayes, the motion carried.

Approval of Minutes for January 14, 2020:

The minutes for January 14, 2020 were reviewed by the Council. Councilor Beers made the motion to approve the minutes as presented. Councilor Allison seconded the motion. All ayes, the motion carried.

Accounts Payable

The Accounts Payable from January 23, 2020 in the amount of \$8,293.00 and Accounts Payable from January 28, 2020 in the amount of \$3,824.90 were considered. Councilor Beers asked about an \$80.00 payment for Obsidian Days. Administrator Letham explained this was refund for two participants in the Obsidian Days events had to cancel their attendance Chief Bob Spence approved a refund to them for hardship. *(After this meeting, it was discovered that two spots for Obsidian Days were purchased electronically, so the City wrote a check for \$80.00 to the Hines Volunteer Fire Department. These were not refunds.)*

Councilor Allison made a motion to approve the January 23, 2020 Accounts Payable for \$8,293.00 and the Accounts Payable for January 28, 2020 in the amount of \$3,824.90. Councilor Beers seconded the motion. All ayes, the motion carried.

Department Heads Report

City Administrator, Kirby Letham

Administrator Letham acknowledged the passing of former Council Member Diane Rappaport, and publicly thanked her posthumously for her service.

The '92 Ford truck did sell, and the buyer showed with cash, \$1,253.00. The sale was finalized on January 17th.

Administrator Letham met with Larry Holzgang, a Biz Oregon representative earlier today. Larry came to introduce himself to clients in the area. He is temporarily covering for Scott Fairley who passed away suddenly earlier in the month of January. Larry Holzgang has been with Biz Oregon for many years and should also be of a great service to the City.

Administrator Letham attended the SEACT meeting yesterday, January 27th. SEACT is the Southeast Area Commission on Transportation. It brings many local private and public leaders with ODOT, as well as other State leaders to discuss the many issues surrounding transportation in southeastern Oregon. The meeting is always very interesting and worthwhile. Administrator Letham shared several highlights from

yesterday's meeting which was held in John Day at the Grant County airport. The next meeting will be held on March 10th again in John Day.

Administrator Letham updated the Council on the work the Housing Committee, a sub-committee of CRT, has been doing to create a plan to spur housing growth. The Committee met with Adam Brown, Ontario City Manager to learn what Ontario has done. Ontario implemented a program that has spurred 8 new housing starts in 2019, and more than 10 planned for 2020. The CRT Housing Committee will seek to implement a similar program in the County and both Cities to spur building. The next step will be to meet with contractors.

The City's new snowplow finally arrived. Jerry Lewellen had Jorden Roozeboom travel to Bend with the City truck on January 24th to have the plow attached to the truck. It looks great. Hopefully there will be one more snowstorm this year to be able to use it.

Administrator Letham updated the Council on the Water Improvement Project. He shared a spreadsheet that showed the billing status of the job from Anderson Perry. The next phase of the project will be to inform property owners who will be affected by the various water line issues. The City will need some property owners to create an easement on their property in order for the City to repair and improve water lines on their property. Others will need to be notified to move fences, sheds or vegetation from existing City easements. City staff will be working with Anderson Perry to communicate with all affected property owners to make the process go as smoothly as possible. Anderson Perry will be meeting with City staff next week some time.

The League of Oregon Cities sent a letter to cities to inform them that there is proposed legislation that would restrict cities on what type of piping they could use for water system projects. LOC is against this bill and is cautioning cities not to support it.

LS Networks has a current project in Hines. The project will expand their fiber to Rory and Ryan Hotel, and Tumbleweed. February 5th – DLCD meeting/Floodplain tour and training; February 15th – DEADLINE FOR SEI FILING!; February 20 – appeal to DEQ meeting for BioDynamics; March 10th – JointACT meeting in John Day (very good info!); LOC Spring Conference – Hermiston, April 24th

Mayor Morgan asked if DEQ is considering the current air quality with the BioDynamics situation. She wondered if that was a factor too. Administrator Letham said that DEQ is aware of the current air quality. It is a factor, but they are more concerned about the specific particulates that would be released from the plant. The rule that is holding the permitting process up for BioDynamics is a very strict rule which was originally intended to regulate a glass manufacturer in Portland. BioDynamics has been working very closely with the Governor's Regional Solutions representative, Courtney Werner-Crowell, Greg Smith of Harney County Economic Development, Administrator Letham, Pete Runnels Harney County Judge, DEQ, and others. The group has made great progress to help BioDynamics keep moving forward.

Councilor Beers made comment that if the community wants to build houses, we need to increase jobs first.

Administrator Letham explained that a Housing Study was done for the area and the study found that there are many times when professionals want to move here but can't find adequate housing. Another inhibitor the study found was that the area needs high-speed internet.

Mayor Morgan made comment about a company that had planned to bring high speed internet down from John Day. Administrator Letham didn't know if that company succeeded, but there are others that are in process now to expand high-speed internet to the community here.

Public Comment – Non-Agenda Items

AJ Kamahwee, Hines Bare Bones Smoke Shop

AJ Kamahwee was given the floor for comment. Mr. Kamahwee is the owner of Hines Bare Bones Smoke Shop. Mr. Kamahwee made an appeal to the City Council to reconsider the City's ordinance banning the substance called Kratom. Mr. Kamahwee stated he is seeing a lot of demand and fielding many requests for the substance. Mr. Kamahwee stated that the product is still legal in many parts of the State and wished that he could tap into that market. He said he knew of many local people driving to John

Day or Bend to purchase the product. Mr. Kamahwee compared the product to Hemp CBD's. Mr. Kamahwee asked the Council to help keep the money here in Hines.

Mayor Morgan thanked Mr. Kamahwee for coming to the meeting and expressing his opinion. She stated that this Council will need to research Kratom, so there would be no decisions in tonight's meeting. Mayor Morgan explained that from previous research it was discovered that the substance had no medicinal value, it was highly addictive, and when mixed with other drugs it can be lethal. These things were taken into account when the previous Council voted to ban Kratom. This new Council will take Mr. Kamahwee's suggestions to research and review at the next Council meeting.

Councilor Miller asked if Kratom was approved by the FDA. Mayor Morgan answered that it was not. She also explained that in 2017 Thailand, the origin of Kratom, banned the substance but because Kratom trees grew naturally all over the country, they could not control it at all. In 2018 Thailand gave up and lifted the ban. She further explained that now there is no control on the substance, and nobody knows what is being sold as "Kratom." Mayor Morgan suggested this is very dangerous.

Councilor Miller asked if other towns have age restrictions on who can buy Kratom. Mr. Kamahwee said that other towns require buyers to be 21. Mr. Kamahwee said that there are many that buy the product for pain. Kratom would compete with CBD. Many customers are driving out of town to buy Kratom, and when they do, they purchase large amounts. He said its very common product.

Councilor Hutchins asked if this ban was only in Hines. Mayor Morgan affirmed that only Hines has banned the product so far.

Mayor Morgan asked Administrator Letham to put the topic of Kratom on the next City Council meeting agenda.

Ann Sampson

Ann Sampson was given the floor for comment. Ms. Sampson has sold her property and desires to purchase a property here in Hines to be near family. She must be out of her home by March 1st. Ms. Sampson wants to keep her horse with her and the property she wants is located within city limits. The property is 135 S. Peter French Ave.

Administrator Letham explained that the property is within city limits and would not be able to house a horse on the property as City Code restricts livestock to 9 months.

Counselor Allison clarified Ms. Sampson's statements by asking if Ms. Sampson was asking the Council whether she could get approval for her horse so she could then feel comfortable buying the land in question.

Mayor Morgan explained to Ms. Sampson that, in the past, some exceptions to livestock permits have been given, even though she could not verify the outcome of this instance.

Mayor Morgan then told Ms. Sampson that if she wanted to fill out a Livestock Permit form, gather signatures and then bring that back to the Planning Commission she could do that process. Mayor Morgan explained that process including gathering neighboring signatures, filling out the form, and the rules of structures housing the animals. Ms. Sampson asked if she would scare people if she went to neighborhood doors. Mayor Morgan told her no, it would not scare people.

Administrator Letham explained that there have been many people asking if they could have horses in town. The City ordinance prohibits livestock within city limits and essentially only allows for animals to be kept for a short period of time. Ms. Sampson would need to apply for a variance as well to seek the City's approval to keep the horse longer than "9 months of age." The intent of the City ordinance was to align the City with Oregon's planning goals, which is to keep farming and agriculture out of the city. Ms. Sampson expressed her inability to find a property outside of the City that she could afford and fit into County regulations of "agriculture." Mayor Morgan asked how old the horse is. Ms. Sampson stated the horse is 18. Mayor Morgan suggested Ms. Sampson state that in her permit request.

Old Business:

Police Car – Loan Review and Approval

This is a continuation of the discussion the Council had about purchasing a new police car for the Police Department. This discussion originated when a current police car, one of the Charger's, needed repairs that exceeded the value of the car itself. This led to the discussion on purchasing a new car rather than fixing the Charger. Chief DeLange

received a quote from Burns Ford for a 2020 Ford Explorer Police Interceptor, with another quote from LEHR to add police equipment to the vehicle. The total cost would be \$46,106.28.

The City has received 4 different loan options, two from Old West Federal Credit Union, and two from US Bank. The following chart gives a synopsis of the loan quotes:

Lender	Rate	Loan Amt.	Paid Int.	Down	Total Paid
US Bank	3%	\$ 46,106.28	\$ 2,793.63	\$ 0.00	\$ 48,899.91
OWFCU	2.49%	\$ 41,497.45	\$ 2,066.57	\$ 4,610.83	\$ 48,174.85
OWFCU	1.99%	\$ 41,497.45	\$ 1,907.23	\$ 4,610.83	\$ 48,015.51
US Bank	2.61%	\$ 41,495.66	\$ 2,181.32	\$ 4,610.62	\$ 48,287.60

Administrator Letham presented these loan options to the Council and the quote on the car from Burns Ford, with equipment additions. The car would be delivered from the Ford factory directly to LEHR-Salem, who will then install necessary police equipment to the car. Mayor Morgan stated that she usually likes to see the least expensive option chosen, but in this case, all of the loan options are very good deals. Several of the Council members agreed. A discussion ensued amongst the Council about which loan would be most beneficial to the City. Mayor Morgan went around the table and asked the opinion of each Councilor. Councilor Hutchins said he leaned toward the Old West loan at 1.99%. Councilor Beers asked if there were any fees at Old West. Administrator Letham said OWFCU stated there would not be fees. Mayor Morgan spoke of potentially making a new account at OWFCU could be a place for Capital Project Funds to be kept. Councilor Miller said he could go either way. Councilor Beers and Councilor Allison both suggested they were interested in the OWFCU 1.99% loan.

Councilor Williams voiced that he saw it differently. He suggested that even at the 3% interest, the US Bank loan might be much more efficient, keeping the City's accounts all under one roof. Having different accounts in different institutions takes extra time and work on the accounting side to manage and keep straight. He expressed that it might be best to keep the City's funds all together in US Bank.

Mayor Morgan also recalled that several years ago, US Bank refinanced a loan for the City, saving the City thousands of dollars in interest. It could be an advantage to stick with US Bank because they have provided trusted service in the past.

Councilor Hutchins then suggested that if the City went with the 2.6% loan through US Bank, the City could still save some money too.

Councilor Allison asked Administrator Letham what he thought of the options he presented. He responded that he really liked what Councilor Williams had to say. Staying with US Bank would save a lot time and effort on the accounting side of the loan – there would not be all the effort to set up a new account with a new bank, all of the signers are in place, just a lot easier to manage.

Councilor Hutchins asked whether the City has ever had any negative dealings with US Bank. Administrator Letham stated that we have not. Administrator Letham also explained that the City does already have two banking institutions where money is kept. The bulk of the City's money is kept in the LGIP account, and the daily checking account is handled with US Bank. Councilor Allison suggested she preferred the City go with the US Bank, 2.6% loan with the down payment.

With no further Councilor Williams made the motion to purchase 2020 Ford Explorer with the US Bank 2.6% loan. Councilor Hutchins seconded the motion. All ayes, the motion carried.

Resolution 2276 – Unanticipated Revenues

A resolution accepting funds from Biz Oregon for the Water Improvement Project in the amount of \$123,640.00.

Councilor Allison made the motion to approve Resolution 2276 as read. Councilor Beers seconded the motion. All ayes, the motion carried.

Resolution 2277 – Unanticipated Revenues

A resolution accepting funds from Biz Oregon for the Water Improvement Project in the amount of \$62,767.00.

Councilor Beers made the motion to approve Resolution 2277 as read. Councilor Allison seconded the motion. All ayes, the motion carried.

New Business

Donation Request – Harney County Rattlers Girls Fastpitch Softball Team

Ryan Dupuy, with his daughters Lydia and Leauna, asked the Council for a donation to support the Rattlers Softball team, a traveling softball team. The team has eleven members. Mr. Dupuy explained that the team travels to Bend and as far as Portland for games. They are looking to raise \$2,200.00 to cover fees and traveling. Mayor Morgan asked Mr. Dupuy how long the Harney Rattlers have been here, and Mr. Dupuy said this is their second year. He also said that the team is composed of some of the best young ladies in Harney County. Councilor Hutchins asked Mr. Dupuy what age group the team covers. Mr. Dupuy said the team consists of girls 13-14 years old. Councilor Beers asked if the team takes players from the local little league teams. Mr. Dupuy explained that a girl on the Rattlers team could also play on a little league team too. There was some discussion about whether other teams could be enticed to have a game here.

Councilor Williams made the motion for the City to donate \$200.00 toward the Harney County Rattlers fastpitch softball team. Councilor Hutchins seconded the motion. All ayes, the motion carried.

AJ Kamahwee told Mr. Dupuy that he would like to personally donate \$200.00 to the Harney Rattlers as well. Mr. Dupuy graciously accepted his pledge.

Donation Request – Rocky Mountain Elk Foundation (Arik Swindlehurst)

Mr. Arik Swindlehurst presented a donation request on behalf of the Rocky Mountain Elk Foundation. With some discussion amongst the Council and Administrator Letham,

the Council estimated that the City had donated \$100 to \$150 to RMEF in the past (after the meeting, administrator Letham found that the City had donated \$100 in 2017).

Councilor Allison made the motion for the City to donate \$150.00 toward the Rocky Mountain Elk Foundation fundraising event. Councilor Beers seconded the motion. All ayes, the motion carried.

TLT Funds Request – Boomer’s ‘Helmet Head Rally 2020’

Boomer Inselman, owner of Boomer’s Restaurant presented a request to the Council for Transient Lodging Funds from the City to support a motorcycle rally he and his business partner, Jeff Campbell, are planning to organize. Mr. Inselman stated the rally was once a highly anticipated event here in Harney County. The event has faded away, but Inselman and Campbell would like to bring it back. Mr. Inselman stated the event is planned for July 31 through August 2, 2020. The event will include vendors and games in the park. Tyler Colley, owner of Grocery Outlet will be also be helping with the event and there will be activities held in the Grocery Outlet parking lot as well. There will be a poker run for the motorcyclists as well. The poker run will have the riders traveling about the area from Hines to Buchanan and on to Crane, Frenchglen and the Refuge, encouraging tourism throughout the County.

Mr. Campbell added that their goal is to re-create a “lynchpin” event for Hines. This led to some discussion about the planned event. Inselman and Campbell also suggested that the City could possibly sponsor a local business from Hines to be a part of the event, similar to a scholarship, if they needed help. Mayor Morgan said she hoped they would want to make the event bigger and better that ever and would include all the businesses in Hines in advertising. Mr. Campbell said that becoming a sponsor provides some perks, like securing a space in the park to sell goods. Mr. Campbell also explained that there might be some businesses on the fence, and if the City of Hines offered a “subsidy,” it would encourage those businesses to participate. Mayor Morgan restated her concern, saying that the TLT funds are for tourism and that if valid business wanted to participate, she hoped they would be allowed to participate.

Campbell, Inselman and the Council discussed how this could be a great opportunity for the event to attract many visitors from out of town. Mr. Inselman stated that this event would be held at the same time the Burns Paiute Tribe will be having their Pow-Wow at the fairgrounds, and a week before the nationally known motorcycle event at Sturgis, SD.

Mr. Inselman asked if it was possible to get a permit to have activities after 10 pm in the park. Mayor Morgan said that kind of permit is possible, and they can request that permit when they are ready.

Councilors Allison and Hutchins volunteered to help with the event.

After discussing the options, the Council asked Inselman and Campbell to come back to the next Council meeting with a detailed list of how they would use the funds for the event. Mr. Inselman asked to be included on the February 20th DEQ meeting email so he could participate.

City Auditor: Request For Pricing

The City's auditor, Oster Professional Group, has informed the City that they will no longer be providing auditing services. Administrator Letham presented a Request For Proposal For Municipal Auditing Services which will be published in the paper, on the City's website, and mailed to potential vendors. The submittal deadline is April 6, 2020. All submittals will be screened by the City Administrator, the Mayor, and the Treasurer. A recommendation will be made to the Council at their next regular meeting on April 14, 2020.

Councilor Allison made the motion to publish the Request For Proposals as presented to secure a new accounting firm for auditing. Councilor Beers seconded the motion. All ayes, the motion carried.

Public Comment

None.

Council Comments:

Councilor Allison thanked City staff for providing a packet to her when she missed a meeting.

Councilor Williams also thanked staff for the packets when he missed meetings. He also asked if Anderson Perry has a list of potential contractors that will be receiving bid requests for the new water tank. He knows of some contractors that have expressed they would like to be included in the bidding process for the project. Administrator Letham asked Councilor Williams to have those contractors contact him and he would make sure they can be included.

Adjournment:

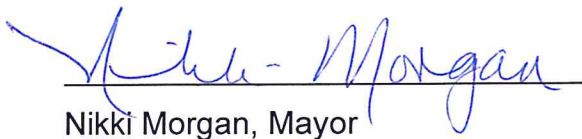
There being no further business, Councilor Beers made a motion to adjourn the meeting and Councilor Allison seconded the motion. All ayes, the motion carried, and the meeting adjourned at 8:12 pm.

Respectfully Submitted:

Kirby Letham

City Administrator

ACCEPTED AND APPROVED BY THE CITY COUNCIL ON FEBRUARY 11, 2020



Nikki Morgan, Mayor