

**MINUTES FROM
A MEETING OF THE HINES COMMON COUNCIL
May 19, 2020
HELD AT THE HINES MIDDLE SCHOOL, 500 W. BARNES AVE., HINES, OR**

Present:

Mayor:

Nikki Morgan

Council:

Councilors Marsallai Quick, Ron Williams, Raymond Breshears and Duane Hutchins

Council (via teleconference):

Councilor Robert Beers

City Staff:

City Administrator Kirby Letham and Treasurer Amie Breshears

Budget Committee:

Jon Morgan, Son Burns, Josh Cummings and Becky Bates

Public Audience:

Stephen Martin, Hilda Allison, Kenny McLean, Chelsea Jones, and Lola Johnson

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

Approval of the May 19, 2020 Agenda:

The agenda was reviewed by the Council. Councilor Williams made a motion to approve the agenda as presented. Councilor Breshears seconded the motion. All ayes, the motion carried.

Approval of March 24, 2020 and April 28, 2020 Meeting Minutes:

The agenda was reviewed by the Council. Councilor Williams made a motion to approve the agenda as presented. Councilor Breshears seconded the motion. All ayes, the motion carried.

Accounts Payable for April 9, May 11, and May 19, 2020:

Councilor Hutchins asked for clarification on the payment for DEQ in the May 19 accounts payable asking if it was for the loan. Administrator Letham confirmed that it is, and that more explanation will be made during the budget portion of the meeting. Councilor

Hutchins then asked for clarification of the payment to Oster's. Administrator Letham explained that the City just received the final report from last year's audit, hence payment is being made. Councilor Hutchins made a motion to approve the Accounts Payable from April 9, 2020 in the amount of \$80,355.20, May 11, 2020 in the amount of \$150.00, and May 19, 2020 in the amount of \$55,000.90. Councilor Quick seconded the motion. All ayes, the motion carried.

Approve and Appoint the Budget Committee:

Jon Morgan, Son Burns, Josh Cummings and Becky Bates
Stephanie Radinovich and Taci Weil were not present

Councilor Hutchins made a motion to approve the Budget Committee. Councilor Breshears seconded the motion. All ayes, the motion carried.

Meeting was Adjourned at 6:48pm to Convene the Budget Meeting

Administrator Letham acting as Budget Officer explained to the Budget Committee how to nominate a Committee Chair. Jon Morgan nominated Son Burns as the Budget Committee Chairperson. Nomination was seconded by Becky Bates. All ayes, the motion carried.

Administrator Letham explained the duties of the Chairperson.

Chairperson Burns called the Budget Committee meeting to order. Mayor Morgan made a motion to approve the Budget Meeting agenda. Councilor Williams seconded the motion. All ayes, the motion carried.

Budget Officer Letham presented the Budget Message. He presented the proposed budget for 2020 – 2021 fiscal year of \$8,032,000 for review and approval. He explained that in past years the projected revenues received for the Water Improvement Project had not been included in the proposed budget. The auditors have suggested these funds be included moving forward. The proposed budget for this fiscal year reflects \$5,000,000 for the Water Improvement Project and the budget for normal operations at \$3,032,000. The budget was prepared in a manner consistent prior budget preparation. He discussed the impact COVID-19 is projected to have on the incoming revenue stream. The Water Improvement Project will begin in earnest and is expected to be completed in the Fall of 2021. The total cost is estimated to be \$7.2M. Currently we have spent approximately \$400K in the survey and preparation phase. The Mayor mentioned that we have received approximately \$675K in grants with an outstanding loan balance of \$6.3M. Chairperson Burns asked if the street project was funded out of these monies. Budget Officer Letham explained that the City has applied to the State for grants through the Small City

Allotments. For the past 3 years we have been awarded \$250K in grant money. Some of this money has been set aside for street paving and patching projects, with the focus on the W. Hanley Paving Project as the priority.

Councilor Hutchins asked about employee insurance benefits, and if the City paid 100% of these benefits. The Mayor explained that in comparison to other cities, the salaries paid to the staff are on the lower end of the scale, so the City chose to pay for the employee benefits as a way to balance out that difference. The Mayor explained that staff salaries and benefits by law are handled by the City Council through an Executive Session and does not fall under the Budget Committee.

Councilor Quick asked how an item could be added to the budget. Her example was mosquito spraying. Budget Officer Letham explained there is a line item in the budget for spraying. Ms. Quick said that this year given the uncertainties of revenue she understands why there is no funding allotted for this upcoming budget cycle. Councilor Beers commented that he has researched the costs involved in spraying and was told it would be approximately \$16K for two applications, but that it wouldn't work if the City of Burns and the County don't also spray. Budget Officer Letham mentioned that he spoke to a gentleman on the 18th who suggested a study be done to find out where the largest infestation is coming from, whether it's the lagoon, the culverts in the City, or even someone's garden. Kenny McLean stated that when the golf course would spray it would only last about 2 days. Councilor Breshears agreed that without the City of Burns or the County being involved it would not be effective.

Budget Committee Member Josh Cummings asked about street funding. He expressed concern about cuts in state funding. Budget Officer Letham explained that with the Small City Allotment grants, we will pay for the repairs and then the State will reimburse us with funds from the grants. W. Hanley is the number one priority for street repair. He will be speaking with the engineer tomorrow to discuss putting the project out to bid as soon as possible to make sure that project is completed this year. He explained that with the grants we currently have on the books, we can't receive another one until we have expended the funds from at least one of the grants we have already received, and we need to expend the funds by July 31st. Chairperson Burns asked if they would review the budget this evening or if they were to take it home to review. Budget Officer Letham said they would touch on the high points as he noticed some calculation errors that need to be corrected, and that he would send out a correction to the Committee tomorrow. He began reviewing the General Fund. Chairperson Burns asked if we knew what kind of impact revolving events, such as school sporting events, have on the Transient Lodging Tax (TLT). Budget Officer Letham said that he had not researched that but knows that the bulk of the lodging is done between now and August. He said that Lola Johnson from Harney County Chamber of Commerce may have additional insight. Ms. Johnson stated that the hotels are normally full every weekend starting with the Migratory Bird Festival in April through the end of August. Audience member Hilda Allison stated that much of that is from travelers passing through town, not staying for events, or BLM and US Forest Service employees, or construction projects where employees are coming in from out of

the area. LS Network is a new revenue stream for us. LS Network provides high-speed fiber optic internet and is a new provider in our area. Currently providing to businesses but hoping to roll out the option to residents sometime later this year. He touched on the decreased TLT revenue showing a decrease of 13%. Estimated revenue of \$41K to the Chamber of Commerce and \$6,500 that the City would retain. Councilor Hutchins read a letter with proposed changes. By law 25% of the TLT funds received from the State must be put back into tourism. In the past most of the funds have been disbursed to the Chamber of Commerce. He proposes that we share funding with the Chamber of Commerce 50/50. It would change the funding to the Chamber of Commerce from the current proposal of \$41K to \$23,750. He also proposed that each year we revisit how the TLT funds are disbursed. He proposed that the City create a tourism program. The Mayor said that this would allow those with event ideas to petition the City for funds and does not preclude the Chamber of Commerce from requesting additional funding for events. Committee member Cummings asked if the Chamber of Commerce and/or the City have plans in place to help promote tourism, especially with the impact this year has had on tourism. Budget Officer Letham explained that the City does not have such a plan. In the past when the TLT funding has come in, it had always been passed along to the Chamber of Commerce to promote tourism in Harney County. Recently, the City Council has discussed about wanting more accountability for these funds, and with the City retaining some of the funding, it allows such accountability. Mr. Cummings asked how someone would approach the City for such funding. Mr. Letham explained that before COVID-19 Boomer Inselman approached the City for funding stating that he wanted to hold a motorcycle rally in July. He said he was hoping to reach out to riders from across the country. He requested money to purchase t-shirts to be sold at the rally. Councilman Hutchins said that this proposal is still in the discussion phase. Councilor Quick asked who would oversee this? The Mayor answered that such requests would come before the City Council. Ms. Breshears added a clarification that the TLT funds must be spent on tourism. Mayor Morgan made a motion to adjust the TLT funds in the proposed budget so that the Chamber of Commerce and the City split the TLT funds 50/50. Councilor Breshears seconded the motion. All ayes, the motion carried.

Ms. Allison stood and said that the Chamber of Commerce should not think this limits the Chamber from asking for additional funds. That what this does with an application to the City Council is it shows accountability in how the funds are spent. It also gives others the opportunity to come up with additional ideas for tourism. Ms. Breshears asked a question about how would the City handle it if funds were not expended? Ms. Allison said she believes that is a question for the City's attorney. Ms. Johnson advised that 75% of the Chamber of Commerce's budget comes from TLT funding. The Mayor asked if any of the Chamber of Commerce's Board of Directors were present...they were not.

Budget discussions continued.

Chairperson Burns confirmed that the upcoming budget meetings scheduled for June 9th and June 23rd at 6:30 was okay with everyone.

Mayor Morgan motioned to adjourn the Budget Meeting. Councilor Hutchins seconded the motion. All ayes, the motion carried. Budget Meeting adjourned at 8:28pm.

City Council Meeting reconvened at 8:28pm

Public Comment (Non-Agenda Items Only)

No comments

City Administrator Report

Will present the Department reports at the next City Council meeting. Bids for the Water Improvement Project will be opened tomorrow (May 20th) at 2:00pm. The Council will need to be available to meet to award the contract next week.

Old Business

Resolution 2286 – A Resolution Transferring Monies Between Objects of Expenditure

Administrator Letham read Resolution 2286 in its entirety. Resolution 2286 is a resolution transferring monies between objects of expenditure. Councilor Williams made a motion to approve Resolution 2286 as read. Councilors Hutchins and Quick seconded the motion. All ayes, the motion carried.

New Business

Livestock Permit – Peasley

The Peasley's were not present. Administrator Letham advised the Council that they are moving in to 513 Hwy 20 N, owned by Stacey & Elaine Davies. They have applied to have horses on the property. The Mayor stated that allowing horses on the property had been grandfathered in as long as horses were maintained on the property, however there had not been horses for some time. Discussion ensued as to what the current ordinance is, and what it is that the City wants. Administrator Letham stated that he would like to speak to the City attorney about how best to re-write the current ordinance, as at this time horses are listed as livestock, and according to our ordinance it would be under the same restrictions as a market animal. Stephen Martin shared info regarding how many horses would be allowed per acre. Currently the permit application is incomplete. Administrator Letham will contact the Peasley's about getting the application completed. At that time, the application may be brought back before the Council.

Business License Permit – Kirby’s Thriftland/Bell’s Closet

Stephen Martin has applied for a business license. This business is the sale of used and previously owned goods. Current request is to have a home occupation license until such time as he can secure a store front. Councilor Williams made a motion to approve the license. Councilor Breshears seconded the motion. All ayes, the motion carried.

Donation Request – Kiwanis Club Fireworks

Council discussed donating \$100 to the Kiwanis Club. Councilor Williams made a motion to approve the license. Councilor Breshears seconded the motion. All ayes, the motion carried.

Donation Request – American Legion Post #63

The American Legion Post #63 does an annual calendar and have requested \$50.00 donation for advertising space in their calendar. Councilor Williams made a motion to approve the license. Councilor Breshears seconded the motion. All ayes, the motion carried.

Harney County Library/Children’s Services

City Hall is participating in a Unicorn Scavenger Hunt being held by the library. The library has asked various businesses to post the picture of the unicorn that had been sent, so that children can “social distance” and still participate in a library function.

Sale of Police Charger

Administrator Letham explained that the repairs necessary for the Charger would run approximately \$8,500. It was deemed more cost effective to purchase a new police vehicle rather than repair the Charger. Would like to do a sealed bid and sell the car by June 30th. Councilor Hutchins asked if we were going to list the damages. Administrator Letham stated that he would post the repair quote we received at the time we post it for sale. Councilor Breshears motioned that we post the vehicle for sale with the Kelly Blue Book value as the minimum bid. Councilor Quick seconded the motion. All ayes, the motion carried.

Public Comment Period

Kenny McLean finished the sprinklers at the Park. Councilor Hutchins asked about the efficiency. Project was completed on time and under budget.

Mayor and Council Comments

Councilor Breshears thanked the McLean’s for the work done on the sprinkler system. **Councilor Williams** thanked Administrator Letham and Treasurer Breshears for the work done on the budget presentation.

Mayor Morgan reminded the Council to sign the necessary paperwork. She then asked whose terms are up this year on the Council. Councilors Breshears, Williams and Beers terms are up this term. A reminder to them if they are going to run again, they need to get the necessary documentation in place.

Adjournment:

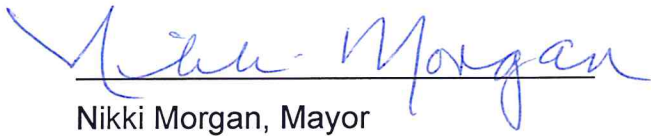
There being no further business, Councilor Williams made a motion to adjourn the meeting. Councilor Hutchins seconded the motion. All ayes, the motion carried, and the meeting adjourned at 9:04 pm.

Respectfully Submitted:

Kirby Letham

City Administrator

ACCEPTED AND APPROVED BY THE CITY COUNCIL ON JULY 14, 2020

A handwritten signature in blue ink, reading "Nikki Morgan", is written over a horizontal line.

Nikki Morgan, Mayor