**CITY OF SUTHERLIN**
**Regular City Council Meeting**
**Sutherlin Civic Auditorium**
**Monday, June 9, 2014 – 7:00PM**

**COUNCIL MEMBERS**:
Tom Boggs, Frank Egbert, Patricia Klassen, Todd McKnight, Karen Meier, Forrest Stone
**MAYOR**: Denny Cameron

**CITY STAFF:**
City Manager, Jerry Gillham
City Recorder/HR Manager, Debbie Hamilton
Deputy City Recorder, Diane Harris
Finance Supervisor, Dan Wilson
Interim Finance Director, Andy Parks
Community Development Director, Vicki Luther
Chief of Police, Kirk Sanfilippo
Fire District #2 Chief, Greg Marlar
City Attorney, Chad Jacobs (via Skype)

**Audience:** Gene Fisher, Joe Groussman, Holly Boggs, Dan McCormick, Michelle Sumner, Mike Meier, Peggy Winfield, Seth Vincent, Bertha Egbert, Pam Cameron, Susan Osland, Betty Klopp, Charles Klopp, Jack Trowbridge, Justin Peterman, Greg Henderson, Jessica Pierce, Jo Barnes, Condie Valenzuela, Ken Wolfer, Rick Murphy, Willie Caldwell, Brian Burke Sr., Alan Kaylor, Scott Saulls, Tadd Held

Meeting called to order by Mayor Cameron at 7:00pm.

**Flag Salute:**
**Roll Call:** All present
**Introduction of Media:** Garrett Andrews, News Review and Becky Holm, Douglas County News

**PUBLIC COMMENT** (agenda items only)
None

**ANNOUNCEMENTS / APPOINTMENTS**
None

**PRESENTATIONS / PROCLAMATIONS**

**CONSENT AGENDA**
- **Minutes from May 27, 2014 Regular Meeting**
- **Special Events Liquor License – Music Off Central**

Mayor Cameron requested May 27, 2014 minutes be pulled from the Consent Agenda for discussion, however item remaining on the Consent Agenda can be approved in a separate motion.

**MOTION** made by Councilor Meier to approve special events waiver of alcohol for Music off Central event as presented; second by Councilor McKnight.
Discussion: None

In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

Music off Central Coordinator, Jo Barnes, reported essentially this isn't for a liquor license, but a waiver allowing attendees at the Music off Central to bring their own wine or beer, there will be no sales of liquor on the premises.

**Minutes -**
Mayor Cameron referred to the minutes and Comstock Bid Award, stating minutes did not reflect information received at the meeting regarding the north side sidewalk being included in the project estimate, would like minutes to reflect that; secondly, would like specificity stating finance reports will be included in the Council "packet" the second meeting of each month.

**MOTION** made by Councilor McKnight to approve the minutes with additions for the May 27, 2014 meeting; second by Councilor Meier.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

**ACTION ITEMS/GENERAL BUSINESS**

- **Grant Award – Bullet Proof Vest Partnership**

Staff Report – Chief of Police, Kirk Sanfilippo, stated the grant award is for approximately $10,000 for over a 2 year period. Police Department has budgeted $10,000 each year for the vests, this grant would reimburse 50% of the cost of this expenditure, therefore $5,000 per year.

What is the cost of these vests? ***Each vest costs approximately $888.***

**MOTION** made by Councilor McKnight to accept Bullet Proof Vest Partnership $10,000 Grant award as presented; second by Councilor Stone.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

- **Resolution 2014.08 – Certifying City Services for Receipt of State Revenue Sharing Funds**

Mayor Cameron confirmed a Public Hearing is required in order to receive State Revenue Sharing Funds.

Mayor Cameron opened the Public Hearing at 7:11pm.
Public Comment received: None
Mayor Cameron closed the Public Hearing at 7:11pm.

Staff Report – Finance Advisor, Andy Parks, stated Council will need to take action on the resolution to receive State Revenue Sharing Funds; the City has to provide four of the seven named services listed on the resolution, therefore meeting those requirements.

**MOTION** made by Councilor Boggs to approve Resolution 2014.08 – Certifying City Services for receipt of State Revenue Sharing Funds as presented; second by Councilor McKnight.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

- **Resolution 2014.09 – Election to Receive State Revenue Sharing Funds**

Staff Report – Finance Advisor, Andy Parks, stated this resolution is also required in order to receive the State Revenue Sharing Funds.

**MOTION** made by Councilor Klassen to approve Resolution 2014.09 – Election to receive State Revenue Sharing Funds as presented; second by Councilor Stone.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

- **Resolution 2014.10 – Adoption of the 2014-15 Budget and making Appropriations**

Staff Report – Finance Advisor, Andy Parks, explained the Budget Committee approved the proposed 2014-15 budget, in the amount of $19,266,744, will address any questions from Council.

- Would like clarification concerning additional expenditures of $33,000 in the City Attorney Fund. ***Gillham – related to four key things that could lead to unexpected costs; labor negotiations, pending SDC lawsuit, Gamble issue and the Alaska Sutherlin Knoll Corporation/Galpin Land Use Appeal.***
- This action will approve the budget? ***Yes.***
- Question regarding the Transient Room Tax (TRT) Fund, which states all funds derived from TRT will be used solely for the promotion of tourism in the Sutherlin area, will need to amend that code. ***Yes, will bring forward to Council an ordinance adjusting the TRT Funds. The fee cannot be adjusted by resolution.***

  The 2004 Legislative action states 70% of net revenue from new TRT increases shall be for purposes described in subsection 5a and 5c, no more than 30% shall be used for 5b; local government services. ***The intent is for revenue go toward tourism improvement projects. Council will see future projects specifically related and will contribute to tourism. Will work on logistics and clarification with City Attorney.***

**MOTION** made by Councilor Meier to adopt Resolution 2014.10 and adopt Budget and levying property taxes for fiscal year 2014-15 and make appropriations; second by Councilor Stone.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

- **Resolution 2014.11 – Transferring Appropriation Authority, Amending the 2013-14 Budget and Amending Resolution 2013.09**

Staff Report – Finance Advisor, Andy Parks, stated Council has received a document replacing the initial resolution presented in Council packet. Adjustments have been made in the general fund, reducing transfers from contingency to the appropriations; net change is $3,000 in the budget adjustments. All budget adjustments are consistent with the expenditure estimates as discussed with the Budget Committee, with one exception, ending fund balance projected in Wastewater Debt Service Fund as of June 30, 2014 is approximately "negative" $8,600; would prefer not to have that negative fund balance, can be corrected by the transfer of $10,000 from Wastewater Operations Fund to the Wastewater Debt Service Fund, therefore keeping a positive balance at year end.

**MOTION** made by Councilor Boggs to approve Resolution 2014.11 – Transferring appropriation authority, amending the 2013-14 Budget amending Resolution 2013.09 as presented; second by Councilor Meier.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron

Opposed: None
Motion carried unanimously.

- **Resolution 2014.13 – Repealing Resolution 2013.04 and Adopting a Fee Schedule for the City of Sutherlin**

Staff Report – Finance Advisor, Andy Parks, explained the budget includes fee adjustments of 1.8% in Water and Sewer rates, effective July 1, 2014 and an estimated 2% in January 2015, the exception to the increase is the STEP surcharge associated with sewer services. The proposed resolution includes the July 1st rate increase, but does not include January 2015 increase, which will be a CPI adjustment based on the full year and will not be known until the early part of 2015. Additionally there are fee adjustments for the Community Development Department, CDD Director, Vicki Luther, will be able to respond to any questions regarding those changes.

**MOTION** made by Councilor Meier to approve Resolution 2014.13 – Repealing Resolution 2013.04 and adopting a fee schedule for the City of Sutherlin as presented; second by Councilor McKnight.
Discussion: Would like Luther to explain fee adjustments made in the CDD. ***A fee for Final Plat Review for subdivisions was added; another issue was variance fees, only one fee was available on the schedule, therefore had to charge an individual $460 for a Class A, which is a Type 1 application that only requires administrative review, this has now been broken out so the $460 fee is for Class C application rather than Class A, have created fees for Class A and B to bring the cost down for those lower level reviews. In addition the Sign Fee has been moved from Business Fees to Planning & Development Fees.***
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

**REPORTS**

- **Attorney Fees - Breakdown**

Council President, Patricia Klassen, concerned with amount of time and City assets being used for individual Council questions to City Attorney, Chad Jacobs. Would like to understand why Mayor Cameron and Councilor Meier were able to contact Jacobs, for supposedly a disciplinary action without the approval of the full Council or at least notification to Council for a vote.

Klassen read a portion of the Council Rules:
"Neither City Manager or Staff be required to provide an answer to the Council for a question, during the meeting, unless a Councilor provided his or her questions to the City Manager on a form, approved by the Council at least 24 hours prior to the meeting, the Council may, by majority vote of those present, limit the number of questions asked by an individual Councilor during Council Comments, as well as direct the City Manager and Staff not to answer any questions, neither the City Manager nor Staff shall spend more than 20 minutes researching and compiling information or otherwise spending Staff time".

Councilor Klassen stated contact with Jacobs involving Mayor Cameron and Councilor Meier took place without the full knowledge of Council and in her opinion this was a violation of Council Rules. Charges for April were $1372.50. She feels this should to be discussed by Council. [Stated in report to Council, charges generated by Council requests as a whole and by individual members during 2013-14 FY totaled $4,755].

Points of discussion:

- Councilor Boggs – Similar to issues regarding the League of Oregon Cities (LOC) Conference expenditures, now requiring Council approval; legal expenditures should have required Council approval.
- Councilor Meier – It's a problem, if you think there is going to be a disciplinary action and the whole Council is to be in on it, and then it is an open session.

- Councilor Boggs – Then it goes into executive session.
- Council Meier – That's the problem in order to have an executive session, you have to contact the attorney.
- Councilor Boggs – That would be fine, the full Council would then be aware of it. Most of the Council had no knowledge of these expenditures that date back to last August.
- Councilor Meier – Occasionally would call Jacobs for counsel, difficult to understand State Laws, sometimes it's just easy to pick up the phone and call Jacobs rather than call the whole Council together and ask Jacobs the question.
- Councilor McKnight – Concerned with numerous "personnel issues" being charged to the City.
- Councilor Boggs – Need to make a decision on what Council would like to do regarding this issue.
- Councilor Klassen – If a Councilor wants to proceed in what would be called a disciplinary or dismissal executive session, it ought to be brought before the Council for discussion. Details don't need to be involved, but Council should be notified of the concern.
- Councilor Klassen – Questioned the letter to another attorney beginning with the statement "the Sutherlin City Council…"
- Councilor Meier – I don't know what you're talking about.
- Councilor Klassen – The letter that came out of Jacobs's office, sent to Gillham's attorney, several Council members didn't know about this letter.
- Councilor McKnight – Was notified of this letter shortly before that Council meeting, then found out Mayor Cameron and Councilor Egbert were meeting with Jacobs at a residence prior to that meeting. Not saying it's illegal, but the perception of that is horrible. So many items require Council approval; something needs to be done regarding these expenditures.

***City Attorney, Chad Jacobs – The language from the Council Rules, applies to "Councilor Comments" not to questions that arise outside the scope of Council Comments, it also applies to Staff under the City Charter, the City Attorney is appointed by an officer of the City and not what I would deem "Staff". My interpretation of the rule is different from Councilor Klassen, as applying for advice from the City Attorney. Advice is provided to the City and any City Councilor that calls, unless directed by the Council to not do so otherwise. Obligation is to protect the City of any type of potential liability, therefore, this is why I met Council members before the meeting. As far as meeting on or off premises, was conscience of the perception issues, therefore informed Council President, Klassen, that Mayor Cameron and Councilor Egbert requested a meeting. Until a policy is in place, do not feel obligated to tell a Councilor their question cannot be answered regarding the City; this puts the City in jeopardy for increase in liability.***

- Councilor Boggs – Only objection is the personnel matter, if there are questions regarding contract code, believe that could be directed to Staff, if they don't know the answer then contact Jacobs.
- List of expenditures should have been brought to us by Staff not a Councilor, if a question is asked of Jacobs; shouldn't that be brought back to the entire Council? ***Gillham – Yes, there was a previous discussion with Council regarding the expenditure of Council monies. Staff works for Council, however cannot take direction from "one" Council member, in addition it's also inappropriate to tell a Councilor no. We will do our best to respond; however in the end it takes four members of the Council to give direction, in this particular case it would have solved that dilemma.***
- Councilor Stone – Concerns regarding Personal Services Contract with then Interim Finance Director, Andy Parks, and not being informed regarding the details. ***Gillham - Entire Council was informed at the November 9th Council meeting.***
- Councilor Stone – Have not been informed about these attorney expenditures either. ***Council has been informed about the expenditures in monthly finance reports; however they were not broke down to this level until requested by Council President, Klassen, for an agenda item and discussion. Normally would not get this type of report unless it is specifically asked for.***
- Mayor Cameron – Explained using Jacob's services regarding his concerns with a contract and personnel issue, wanted to find out what he could and could not do and how to go through the

process. Trying to do the right thing in dealing with the City Manager, needed to discuss concerns with Jacobs. Contacted Jacobs, not comfortable bringing up some issues with Council.

- Councilor Klassen – Then why were these issues discussed with Councilors Meier and Egbert?
- Mayor Cameron – Those two Councilors and I have things in common, talked to them before going to Jacobs regarding some concerns and tried to get a confirmation that my ideas weren't off base.
- Councilor Klassen – Then why did you call Councilor Stone?
- Councilor Meier – Contacted Councilor Stone regarding construction contracting, since he's a contractor and has a background in that, we exchanged ideas, is there no one that you (Klassen) call?
- Councilor Klassen – Not on the Council, those discussions are right here in Civic Auditorium.
- Councilor Meier – You don't pick up the phone and ask a Councilor for a vote?
- Councilor Klassen – NO!
- Councilor Stone – Concerned with lack information he receives and inability to talk to other Council members.
- Councilor Boggs – Members can talk to each other, but cannot solicit a vote from another Councilor.

***Jacobs – For clarification purposes, cannot deliberate towards a decision, for instance if one Council member talks to two other Councilors and then one of them contact another Councilor, stating what the other Council members have talked about and concluded, then ask if they are on board with that, that would be considered a series of meetings, constituting a quorum, the additional sharing of views as a quorum of Council that can cause problems.***

Discussion continued regarding the format and information used showing expenditures generated by Council as a body and those attributed to Council as individuals.

- Councilor Meier – In the time period showing the expenditures, $3,680 [of the $4,755] was attributed to individual Council contact, a small percentage of the entire attorney bill to the City. There has been a lot of talk regarding Council "bullying", there are positive things that have come from the insistence for answers to questions, for instance the Red Rock Restroom project.
- Mayor Cameron – Those problems have been resolved and these legal expenditures were anomalies if you want to make a rule regarding anomalies then we can.
- Councilor Meier – There were problems with Red Rock Restroom and documentation of the project, this wasn't even Gillham's problem it started before he came and before Luther was in CDD, when we told him there was a problem he came in and corrected it.

***Gillham –With regards to moving forward and creating solutions, can provide the entire attorney bill to Council if desired. Secondly, if some Council members felt I violated an ordinance, would have appreciated a chance to explain myself and understand your concerns, having a meaningful one on one or two on one dialogue without immediately going into executive session; this would have been a more beneficial process.***

- Councilor Stone – Asked Gillham why he didn't explain his position before the issue became a problem regarding the personal services contract $75,000 limit vs. $25,000 contract limit in the City Code. ***Nobody came to me and inquired about it, all I knew is there was going to be an executive session and I would have to defend myself.***
- Mayor Cameron – Don't know if the solution regarding discussion of the contract issue would have turned out differently due to Gillham's previous comment concerning the City Code being somewhat ambiguous. ***Gillham – Could have gotten Jacobs on the phone together for discussion at that time, is it about taking me into executive session and disciplining me or about solving the problem.***
- It's about the discussion of a problem. ***The key issue is to sit down and discuss it, bring it to my attention and let me explain and get Jacobs on the phone to find out a solution***.
- Mayor Cameron – Which brings me to the emails we were to receive from you, I haven't received one yet. ***I still need to talk to Mayor and Councilor Meier, and then prepare a report stating what the Council said.***

***Jacobs – Suggesting if Council would like to review the attorney bills each month, need to treat it as an attorney/client privilege and send to Council members, not post in the Council packet; there is information on the statements that will be for Staff and Council to review only.***
Discussion continued regarding the information, it was decided to send the statement on a monthly basis to Council members.

- **Overlay Project Update**

Staff Report – Public Works Operations Supervisor, Aaron Swan updated Council regarding the 2013-14 Overlay Project. The bid was awarded to Knife River for $98,982, after closer examination found damaged areas on E. Fourth Avenue are too serious for just an overlay, 15 square yards of the sub material was budgeted, however approximately 140 square yards is needed, the difference is approximately $10,000.
Councilor Klassen – Is there a budgetary answer to this problem***? There is $47,000 remaining this fiscal year budget that is available.***
***Luther – Would like to remind Council the original motion was to award the bid for $98,982, suggest extending that amount in a new motion for the record.***
Will this change the beginning budget amount for the 2014-15 fiscal year***? It will reduce your carryover by approximately $12,000; there are no problems with this action.***

**MOTION** made by Councilor Klassen to allow Public Works to exceed $98,982 but not to exceed $112,000 for repair work for 2013-14 Overlay Project as presented; second by Councilor Meier.
Discussion: None
In Favor: Councilors Meier, Stone, Boggs, Egbert, Klassen, McKnight and Mayor Cameron
Opposed: None
Motion carried unanimously.

## CITY MANAGER UPDATE

Staff Report – City Manager, Jerry Gillham, stated Alaska Sutherlin Knolls Corporation (ASKC) Land Use issue will be coming to Council in the form of a Public Hearing at the next meeting. ASKC will not agree to add the 1,000 feet of sidewalk. A remonstrance agreement was offered as well as the option of yearly payments for the improvement; however these options were not accepted.

Was there research done regarding the City taking over a street not up to City specs? ***Gillham – The attorneys explained this was a mutually agreed upon decision in 2007, the land is zoned industrial, therefore without knowing what type of development, entry points or where road cuts would be located, would possibly have to tear the sidewalks out if they existed.***

***Jacobs – ASKC is asking the City to accept additional dedication before they propose any sort of development and seek land use permits, the City is not obligated to accept this dedication, however the City has requested the sidewalks be added in exchange for the dedication, however ASKC is not willing to do that, therefore the City is not willing to accept the additional dedication. City will not take the street over unless we have reached some sort of agreement.***

## CITY COUNCIL COMMENTS

**Councilor Boggs –**

- None

**Councilor Egbert –**

- None

**Councilor Klassen –**

- None

**Councilor McKnight** –

- None

**Councilor Meier –**

- None

**Councilor Stone –**

- Questioned the cost of the recall being $4,000, adding that does not include any legal expenses, concerned if City has budgeted for that expense. ***No.***
- Wanted Gillham to know he is doing a great job as City Manager, would like to know more of what is going on with the City. Does not like finding things out months later.
- Concerned with businesses involved in the recall trying to make city tax payers pay for this and "lynch mobs" present at meetings and going after Council members who are volunteers.

**Mayor Cameron –**

- None

**PUBLIC COMMENT –** None

**ADJOURNMENT –**
With no further business meeting adjourned at 8:37pm.

Mayor Cameron announced there will be a five minute recess before the Workshop – Fire Advisory Committee.

Approved: _____
Jerry Gillham, City Manager

Respectfully submitted,

_____ _____
Diane Harris, Deputy City Recorder Denny Cameron, Mayor

***APPROVED BY COUNCIL JULY 14, 2014***