

CITY OF CULVER COUNCIL MINUTES  
City Council Chamber  
Monday, February 23, 2009

**CALL TO ORDER:** Mayor Shawna Clanton called the meeting to order and led the Pledge of Allegiance.

**ROLL CALL:** Mayor Shawna Clanton, Councilors Nancy Diaz, Ty Merrill, Amy McCully, Wayne Johnson, Thelma Krueger, and J.B. Schumacher. Paul Sumner, E. V. Smith, and Donna McCormack were also present.

**APPROVAL OF AGENDA:** The Central Oregon Boxing Club, which was scheduled under New Business, requested to be added to the presentations. Mayor Clanton made a motion to approve the agenda as revised, which was seconded by Councilor Johnson and passed unanimously.

**PUBLIC HEARINGS:** Mayor Clanton read the statement outlining the process for the public hearings. The public hearing for the purpose of receiving testimony on the proposed expansion of Jefferson County Enterprise Zone to include the City of Culver was opened. There were no ex parte contacts, bias or conflicts of interest declared and no challenges from the audience.

Staff Report: Parrish Van Wert presented the staff information and provided information on enterprise zones. He feels that overall it would be good for the community but there are some things to consider regarding the taxation issues of the city. Using an example of a one million dollar investment, using the current tax rate with three-year abatement, the city would lose \$19,350. In the 2008-09 tax year, Seaswirl paid the city \$22,214 even as a non-performing company. Sweetwater/Earth2o paid \$22,112 for the same period. He explained the benefit of an enterprise zone is to entice businesses to locate in the community and also to expand existing facilities within a community. Without an Enterprise Zone it would be difficult to compete with other cities in trying to attract businesses. He also reported that when the enterprise zone was established in Madras and Metolius, Seaswirl was an already established business but now the enterprise zone would be a good tool to use and the initial investment generally keeps a company from locating just to utilize the tax exemption. Companies are required to make a substantial investment in order to qualify for the tax abatement. He also explained that the Urban Renewal District freezes the property value at the current amount and then the 3% annual increase goes into a special fund for improvements. Paul Sumner clarified that for three years the city would receive same taxes that they receive now, but there would be no tax on new improvements made on the property. After the three years, when the company goes back onto the tax rolls it is assessed at the current value then the money would go into the URD. With negotiations the three years can be extended to five years.

Testimony in Favor:

Anzie Adams testified in support of the Enterprise Zone because it provides a lure and invites new industries to come into the city and receiving a tax break. She said that a company knows within three years if they are going to become a viable company.

Roger Lee from EDCO, testified in support but wanted to explain what happens if a company decides to leave. He said that an enterprise zone is a cooperative program with the department of revenue and the economic development department. There is a minimum requirement for employment with a tax and penalty if the company does not perform as agreed. The program has been around for a long time and protections for the community are included. Anything on the tax rolls today will not come off the tax rolls and it also doesn't change the current tax base of URD but does affect project income. Companies stay because of the big investment. There are also high wage standards that have to be met, 1.5 times the county average, which for Jefferson County is just under \$40,000 per year. Bringing in more investments to Culver would help bring Culvers tax rate down. He also explained that the minimum requirements for a

new business to qualify for the exemption is to create at least one new position and invest at least \$50,000. For an existing business to qualify, they must have a minimum investment of at least \$50,000 and expand the workforce by at least 10%.

Testimony in Opposition:

Linda Victorine, chairman of the URD requested that before the City Council decides on an Enterprise Zone, it should be discussed with the URD Board. She reported the Urban Renewal District is in place, but they have not had an opportunity to complete a project even though they have paid the city approximately \$12,000 for setting up the district. She said the district wants to follow the voter approved plans and also expressed concern about what this would ultimately cost. She urged the council to consider the proposal carefully before a decision is made.

Ms. Victorine also asked if the council could determine what effect the enterprise zone would have on her as an owner of Hairlines and if a business comes in and gets a three to five year tax break. She also asked how the lack of tax dollars would affect the city especially because Culver is a small town. Other concerns included the company's track record that would be using the enterprise zone and she stated she believes the Urban Renewal District will help the city in the long run. She urged the council to be sure to review all information and be careful. She also reported that she has always paid her taxes.

Dan Harnden testified that he agrees with Linda Victorine and feels more information is needed before a decision can be made. He testified that he is not for or against the zone at this point but feels that all of the cost factors need to be considered and compared to the benefits and opposition.

Testimony in Rebuttal:

Roger Lee reminded the council that the city does not incur any cost to expand the Enterprise Zone and he provides for the management of the zone again at no cost to the city. The amount of forgone taxes can't be determined because it depends on the amount of the investment into the community. He stated that in this very competitive world, and enterprise zones are a real beneficial tool to attract new businesses and to retain existing companies. The Enterprise Zone is not a "pay later" program; the city does receive taxes on the value of the land and the existing buildings, after three years the whole value of the investment is on the tax rolls. He also explained that if there is no activity then there is no cost but the more activity, the higher the costs. He also reported that there is interest in the former Seaswirl facility and there is also another company interested in utilizing the enterprise zone designation in Culver.

Parrish Van Wert addressed the Urban Renewal District concerns and said he feels they are legitimate concerns. He added that companies would not be interested in the commercial district if there were no family wage jobs in the community. The Enterprise Zone can assist in bringing jobs into the community that would not come otherwise. He said Culver is unfairly disadvantaged by not having the Zone and commercial interest makes it even more attractive. He reported that are other community's with both enterprise zones and Urban Renewal Districts, even multiple URD's, and it works very well.

The public hearing was closed at 7:05pm.

Council Deliberation: Councilor Diaz felt she did not have enough information to make a decision at this time and Councilor McCully agreed. Councilor Merrill said that initially he was opposed to the enterprise zone but not so much now. Mayor Clanton asked for advice and Paul Sumner explained that the council could move to not have an Enterprise Zone, move to approve the zone or table it for more information. Donna McCormack noted that it is scheduled for a hearing before the Jefferson County Commission on March 4<sup>th</sup>. When asked about other cities, Mr. Sumner reported that no other cities he works for qualifies for an Enterprise Zone. The state allows only a certain number of zones and there are certain requirements in order to qualify for the designation. A city needs unused industrial land that could attract an investor

and there are restrictions on the kind in industry. The enterprise zone is an incentive to keep businesses in a community. Mr. Pearson explained that if the enterprise zone is not used, it will expire in 10 years. If it is used, then the state will determine if Jefferson County gets to use it again for another 10 years.

Motion: Councilor Merrill moved to approve the resolution to expand the Jefferson County Enterprise Zone to include the City of Culver. Mayor Clanton seconded the motion and Mayor Clanton along with Councilors Schumacher, Merrill, Johnson, and Krueger voted in favor while Councilors Diaz and McCully opposed. The motion passed.

**The Public Hearing to receive testimony to change the name of the City Park** in honor of a veteran was opened. No ex parte contact, bias or conflict of interest was declared and there were no audience challenges.

Staff Report: Donna McCormack reported that the council requested a public hearing to consider a name change for the park. The purpose of the change is to apply for a grant that would fund the baseball field renovations. One of the requirements of the grant is to honor a veteran and the perfect application would be for a nonprofit agency to be building a monument to a specific veteran.

Mr. Wright added that there are two things to be gained including economic development because the city would be put on the National Registry for Veterans Memorials. Rex T. Barber is the name he would like to use because of Mr. Barber's war record and because he was the one to originally plat the town. Mr. Wright proposed that the project would be a memorial and the city would change the name of the park to Rex T. Barber Memorial Park and change the name of the field to Ray Durfee Field. He also reported that there are approximately 200 to 500 visits to memorial sites by veterans each year. The grant would provide funding for the retaining wall, steps, fountain and ball field.

Testimony in favor of changing the name of the park:

Anzie Adams testified in favor of changing the name of the park, but not to Rex T. Barber. She said Ray Durfee is the man who built the park, was also a veteran and held reunions for his ship at his residence. He built the park and the baseball field and was involved in the Little League for over 33 years along with his wife in Culver. She feels the city should honor the person who built the park.

Dan Harnden testified he is in favor of changing the name to a veteran because the grant could provide funds for Culver to improve the park. It is not important to him which name is selected as long as it is an honorable person and the city receives the funds to help beautify the park.

Testimony Opposing changing of the name of the park:

Written Testimony was provided to the council and read into the record. The testimony expressed concern about naming only one individual and urged the council to honor all veterans. It was proposed that the city wait until another grant is offered that does not require changing the name of the park.

Hearing Closed at 7:40pm.

Council Deliberation: Councilor Diaz reminded the council that the fountain was a memorial to some community kids that were killed in car accidents. It was clarified that their plaque would still be on the fountain and two other plaques would be added, one honoring Rex T. Barber and one honoring Ray Durfee for building the park. There are many veterans in Culver and some serving in Iraq now.

Councilor Merrill express the concern that without names included, the city would lose the marketability of the park. He also said that when one service member is honored, all of them are.

Councilor Schumacher said that Culver is a small town and people take the park real personal. He would like to see it named Culver Veterans Memorial Park in order to honor all veterans.

Council Diaz likes having Culver in the name and she reminded people there are memorial trees in the park now.

Council Johnson asked if renaming just the ball field would work for the grant application and was told probably not.

Mayor Clanton moved to change the name of the park to Culver Veterans Memorial Park. The motion was seconded by Councilor Diaz and passed unanimously. (Councilor Johnson may have abstained.)

**CITIZENS INPUT and CORRESPONDENCE:** A letter received from Mr. Bill Donner expressing concern about the \$20 late fees charged on his sewer, was presented by Anzie Adams. The letter stated that he got behind on his sewer bill because of theft resulting in \$80.00 in late fees. Ms. Adams said Mayor Clanton directed her to discuss the matter with Councilor Krueger. According to Ms. Adams, Councilor Krueger then spoke with Donna McCormack and requested to see the sewer bills but the request was denied. Ms Adams reported that former Mayor Dan Harnden had directed that \$20 late fees be assessed to all accounts over \$100 except his. Ms. Adams also told the council that Ms. McCormack said that she puts the fees on and takes them off discretionally, and then told Ms. Adams that there was an ordinance. Ms. Adams does not feel that Ms. McCormack has the authority to charge fees or to take them off as she feels. That should be a council decision and the council should decide what is put on and what is taken off. Ms. Adams continued saying that if the sewer commissioner cannot review the sewer bills, who can provide the oversight?

Mayor Clanton asked if the request from Mr. Donner was to remove the \$80 in late fees because he feels \$20 a month is too high.

Ms. McCormack explained that in July 2005 the City adopted a resolution setting the fees for late fees (\$20) beginning 90 days after the due date. In October, the city adopted a Red Flag Rule that requires the city to not release any personally identifiable information. Ms. McCormack denied that she discussed the former Mayor's account with anyone and she only spoke with Ms. Adams about Mr. Donner's account after the letter was presented giving authority to do so.

Councilor Merrill reported he checked with Jefferson County sheriff's office and reported the number of calls to that address, which he felt were excessive. Possible options were discussed and Councilor Merrill moved to table the issue at this time. The motion was seconded by Councilor Krueger and passed unanimously.

Dan Harnden addressed the council and reported that everyone gets behind on his or her sewer bill at times and he is no different. He said that when he was Mayor and got behind on his bill, he got charged the \$20 late fee if he didn't make the monthly payment. He was not happy about it, but he was shown the resolution that the council passed that a \$20 fee had to be charged and he could not use his position to get out of paying the fee. He was not happy about it, but he paid it.

#### **SPECIAL PRESENTATIONS BY GUESTS:**

Mike Goss, the city's insurance agent introduced himself and his son Mick Goss to the council as well as Dunny Sorrenson from CCIS. Mr. Sorrenson explained the history of CIS and the purpose and organization structure of the company. Mayor Clanton asked if the city's rates would be reduced after disbanding the police department. Mr. Sorrenson said that if the city does decide to reinstate the police department. Because the liability limits for the police department are no longer in effect, there may be adjustments. He also said CIS would like to help if the city decides to start a police department in the

future. Contracting out will not affect the insurance rates. Mr. Sorrenson provided his phone number and said that CIS is not involved in contract negotiations. CIS has many services plus an attorney on staff for employee issues. If we follow the advice will waive the deductible. They want us to call if we have issues.

Central Oregon Golden Gloves Academy, Mr. Sumner reported he was asked to be a board member and serves as board president. Mark Evans is the coach and he requested the use of the City Bus for a trip to Portland. (They have a van but it is not adequate for long trips.) The council expressed concern about liability and Mike McGowan, who is an insurance agent, reported that since this is a one-time use, the city would be covered. Mr. McGowan also introduced himself to the council and said he is the largest public insurer and would be able to help with risk management. Mr. Smith said that the van runs fine but chains would be needed in order to travel over the mountain. Mayor Clanton moved to approve the request to allow the CO Golden Gloves to use the bus to go to a tournament in Portland. Counselor Merrill seconded the motion, which passed unanimously.

### **CONSENT AGENDA**

The amount of the Aflac bill was corrected and Mayor Clanton moved to approve the Consent Agenda as revised. Councilor Schumacher seconded the motion, which passed unanimously.

### **REPORTS**

Administration: Donna McCormack reported: 1) the city received a Cultural Coalition Grant in the amount of \$571 and invited the council to attend the awards ceremony. The grant is for the purchase of playbooks and publishing the posters. Mayor Clanton moved to authorize \$571 to purchase the playbooks and publish the posters for the Centennial Celebration. Counselor Diaz seconded the motion and it passed unanimously. 2) It is time to update the signature cards on the checking account. Counselor McCully motioned authorizing all counselors as signers, Counselor Diaz seconded, passed unanimously.

Public Works: E.V. Smith requested: 1) because the city is no longer using the police office, it could be cleaned out and used as a small conference room. Counselor Merrill moved to authorize the request. Counselor McCully seconded the motion and it passed unanimously. 2) Approximately \$100 is needed to put carpet on the ends of the council dais. Councilor Diaz moved to authorize Mr. Smith to purchase the carpet. Counselor Merrill seconded the motion, which passed unanimously. 3) The sewer is ready for spring treatment. 4) The park pavers will be finished soon. 5) He is cleaning ditches. 6) Will be opening the restrooms in April. 7) The patched concrete in the front of the building is holding up and Mr. Smith said the concrete is safe. The council asked about replacing the sidewalk and Mr. Smith said the funds were not available at this time.

Attorneys Report: Paul Sumner, reported on the IGA for Solid Waste Collection and Disposal. He reported it is doing what was supposed to happen years ago by setting aside money for closure of the dump, which is required by DEQ. All of the other entities have entered into the agreement and it will not currently affect the rates but in 2013 the rates may increase. Mayor Clanton moved to approve the Solid Waste Collection and Disposal IGA. The motion was seconded by Councilor Schumacher and passed unanimously.

### **NEW BUSINESS:**

Budget committee appointments. Mayor Clanton recommended Mr. Robert Wages, Ms. Shannon Poole and Mrs. Nancy Douglas be appointed to the budget committee. Councilor McCully moved to consent to the appointments. Councilor Diaz seconded the motion, which passed unanimously.

Leadership Development Training through Ford Family Foundation. Ms. McCormack reported that the program would provide leadership training for community members. The training would include strategic planning, consensus building and community relations. The city would be making a five-year commitment. Anzie Adams reported she had been through the program and she explained that as a member of the team, you have to commit to meet once a month for six months and complete a project. You have to raise money for the project and there is a potential of it being very expensive. She was part of raising money and working on the remodel of the Jefferson County Food Bank. The proposal was to include all citizens in the 97734 area code and up to 35 people are selected for each round of training. Councilor McCully moved to request the proposed leadership development training. Councilor Diaz seconded the motion, which passed unanimously.

**MAYOR AND COUNCIL REPORTS:**

**Councilor Diaz** reported she would like an advisory committee to look at ways to use the park and would also a committee for building maintenance.

**Councilor Johnson** reported the Police committee is almost complete and he will be working on a presentation for the council.

**Councilor McCully** read a letter asking community members to not come with unkind remarks about individual council members or about other members, the Mayor, EV, or any others. Instead put the concern in writing for review. She explained that the Council wants to bring the community together.

She also reported that Mayor Clanton and Councilor McCully were invited to speak to the Rotary in Prineville. Mayor Clanton was well received and she spoke about the community, our largest employer going out of business, actives for youth, and the history of the city. The Rotary thanked Mayor Clanton for coming said they really enjoyed her presentation.

**Councilor Merrill** reported that Curt Davis is retiring as a coach and he would like to honor his service to the community with a certificate of appreciation. He also reported that this year provided the second time for Culver to win back-to-back State Championships in football. Staff will invite Mr. Davis to the next meeting to present the certificate.

Councilor Merrill also requested the workshop begin at 6:00 p.m. to discuss issues pertaining to the expansion of the sewer treatment plant.

**Councilor Krueger**, no report.

**Councilor Schumacher**, no report.

The meeting was adjourned at 9:20 p.m.

Attest:

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Mayor

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City Recorder