

MINUTES
DRAFT MINUTES UNTIL APPROVED BY THE COUNCIL
CITY COUNCIL CHAMBERS, CITY HALL
29592 ELLENSBURG AVE
GOLD BEACH OR 97444
TUESDAY, DECEMBER 8, 2009
SPECIAL MEETING: 6:30 P.M.

CALLED TO ORDER AT 6:30 P.M. BY MAYOR WERNICKE

THE PLEDGE OF ALLEGIANCE

ROLL CALL:

	<u>PRESENT</u>	<u>ABSENT</u>
Mayor James Wernicke	X	_____
Council Position #1 Jeff Crook	X	_____
Council Position #2 Larry Brennan	X	_____
Council Position #3 Peter Peterson	X	_____
Council Position #4 John Truesdell	X	_____
Council Position #5 David Alexander	X	_____
City Administrator Ellen Barnes	X	_____

****NOTE:** If anyone wishes to address this Governing Body, please present a completed "Business from the Audience" request to the Mayor at this time. Your request will be added under the CITIZEN COMMENTS section of our agenda. Comments and participation from the audience shall be limited to 5 minutes without redundancy.

CITIZEN COMMENTS FROM THE AUDIENCE

Jill Benson- Citizen of Gold Beach. Some months back we voted for a new Mayor and Councilmen. I understood the Mayor was to negotiate between the Council members and help lead them, and I understood that the Council was to legislate and set policy. They had a big job to find a new police chief and city manager. I think you did an excellent job in that regard and you are to be commended for what you did. I believe in the interim, before hiring these individuals, the council had to do city work that helped fill in for those two positions while they were vacant. Again, my congratulations and appreciation and besides that they all did it without moaning and groaning and complaining, they just donated their time.

However, now we have a highly qualified, intelligent and responsible police chief and city manager. I'm questioning why the council is trying to micro-manage these two offices and why they don't trust the people you hired to do their jobs. They have the charge of their officers-they are intelligent individuals striving to help our city, we need to support them, not harass them.

Most of the successful CEO's in this country tell you when hiring for a critical job, hire someone that knows more about it than you do and then let them do it. You did that. You hired two very fine people and now they are successful CEO's - let them do their jobs.

TMDL (TOTAL MAXIMUM DAILY LOAD) PLANNING PRESENTATION (A)

City Administrator Barnes stated if you were at the last planning commission meeting, this is the same presentation. This presentation was also presented to the council in November, 2008. We are being required by the Department of Environmental Quality (DEQ) to develop and implement what they call a Total Maximum Daily Load (TMDL) Test Implementation Plan. It deals with pollution going into the Rogue River. We are considered a designated management agency. I will be giving a very general presentation of what it is we have to do to meet the DEQ requirements. We are now starting to work together with the port and the county to identify the specifics that are related to our area. We anticipate having the draft plan by March 10, 2010.

- 1.1. Introduction: The document (A) summarizes key concepts of the TMDL process, roles and responsibilities of urban DMA's as defined in DEQ's Water Quality Management Plan, and key elements of implementation plan and answer questions about the process.
- 1.2. TMDL Application: The Rogue River Basin TMDL applies to all perennial and intermittent streams, rivers, and lakes within the Rogue River Basin in Oregon with the exception of those areas where TMDLs have been previously developed: Bear Creek Watershed (TMDL approved 2007), Applegate Sub basin (TMDL approved 2003) the Lobster Creek Watershed (TMDL approved 2002) and Upper and Lower Sucker Creek (TMDLs approved 1999 and 2002, respectively).
- 1.3. TMDL Process, TMDL Goals, and Water Quality Implementation Plans.
 - 1.3.1 TMDL Process: Procedures for establishing TMDLs are outlined in the Clean Water Act. The process begins when a stream or river is identified as water quality limited and placed on the State's list of impaired waters (303(d) list). Once listed, the DEQ must develop TMDLs for each parameter. TMDLs define the amount of pollution that can be in a stream and allow all beneficial uses (e.g. contact recreation, municipal use, fish and wildlife) to be met.

Once the TMDLs are established, DEQ creates a water quality management plan (WQMP) to meet the targeted water quality conditions. The management plans move toward water quality benchmark conditions over time and the WQMPs are adjusted as needed to move towards the targeted water quality condition (goal of adaptive management)

Truesdell-I'm aware the county is offering in kind man power as their contribution to putting this plan together, will we be relying on the county to help us identify what they think our higher liability areas are?

Barnes-In a sense that we have a contract with the county for planning services, a lot of the things that are going to be required will come through the planning side of our services. We will be working very closely with the county. The answer to your question is YES but we need to be actively involved as well. The county is really going to be the driving force for us.

Truesdell-So there isn't anything the council needs to do actively, until we hear back from you-recommendations given to you by the different partners?

Barnes-Correct. At this time this is only informational.

Alexander-Asked if the document was "cast in concrete".

Barnes said "no". It is a draft that can be used to develop our own.

CREDIT CARD vs. DEBIT CARD-City Administrator

The issue at hand is the city has used a debit card instead of a credit card for transaction purchases. The auditors raised the issue when they were here. It is likely an issue that will come up in their findings as needs to be corrected. By using the debit card, which is a credit card, we are opening exposure to our accounts. It is a risk. Anyone can get in touch that controls the PIN and generate it somehow, they can access our accounts and we have no recovery on that. They can drain the account that the debit card is hooked to. So it could potentially be unauthorized access to the funds. We have one debit card. A lot of vendors won't accept checks or purchase orders-it has to be a debit or credit card.

Alexander-Two issues regarding the difference between a debit and credit card I would like to point out. The first is-in terms of a PIN being a vulnerable element. It might be

frequently changed to provide additional security. Just a thought. My main point is one of the reasons I don't use credit cards is because I'm cheap. I don't want to pay the interest. I think if we were to make this changeover to a credit card, we need to put a restriction on it that any purchases made by the credit card must be paid off in full at the end of the cycle so we don't incur interest charges. There will be additional expenses with a credit card that you don't have with a debit card. Would the additional charges be a good value for the additional security? I don't mind spending additional money if I am going to get value return of increased security for city funds.

Barnes-You raised some good points. Yes, a policy needs to be set in place regarding credit card use, including a mandate that it is paid off every month so we don't incur any interest charges. You're correct that a credit card may carry additional fees. If we go with Sterling, they would charge us a \$25 a year fee. There is an additional fee to set up a credit card account-it will require a letter from our attorney saying the city is capable of incurring the debt and will be responsible for the debt. There would be a fee associated with our attorney drawing up the letter. This is for one card. If we have more than one card, those same fees would be associated with each additional card.

Peterson-After receiving your (Barnes) email, I called Sterling Bank to ask them what the differences were between a debit and credit card. I asked if there is a difference in the coverage for the city-there is absolutely no difference between a debit and credit card. Visa has set the standard. The opportunities for use to draw money with a credit card and a debit card are almost the same-if you have the PIN number you can get money out of that card. Go to an ATM machine and you can get cash with a credit card as well as with a debit card.

Truesdell-I don't fully understand the use of the card. You made a statement that vendors will not accept checks and I assume those are not our regular vendors, I assume they are one-time or internet vendors or people like that. I haven't used any of my council travel expense line item yet but I was told if I did have an authorized city use, I would be issued a card. Is this a card I would be issued or is this a card just for staff?

Barnes-The promo department had to purchase some displays and they used the debit card because the vendor would only accept that. It is used for those types of purchases. For travel expenses, an expense request is submitted and a check is issued and receipts are checked against the expenses when the employee returns and the employee pays the difference or the city pays the difference.

Truesdell-If I'm promo and I'm purchasing something either by telephone or internet-do I use the PIN over the phone or do I just give them the number, or do they treat it as a credit card transaction except it immediately comes out of our account? So in effect, it is a credit card even though it is debit for a telephone or internet transaction. (Barnes said you are correct in that sense.

Barnes-There is a PIN associated with the debit card we have. For local purchases you would enter a PIN. Let's say you are purchasing over the internet-you are correct-you don't usually give a PIN. Having said that the auditors are still saying we are still not protected. The reason is that the account number is out there and you have "hackers" as Alexander pointed out-a 4-digit PIN is easy to hack. If that happens, they can then access the account and that was the concern of the auditors.

Crook-My question would be like at gas stations-some places charge you more for using a credit card vs. a debit card.

Barnes-When we purchase gasoline, it is purchased through our Shell card. I'm not aware that we've issued the debit card for that purpose.

Alexander-When I went out of town to attend a city training session-the room charge was sent directly to the motel, I was issued a check for "per diem" but the fuel expense was with a city gas credit card.

Wernicke-This was a recommendation by the auditors?

Barnes-It came to my attention today through Jodi. I called the auditors and spoke with Dick Maxwell-he said yes, we do have a concern with the city's use of a debit card. His concern was any instrument linked directly to an account. There is potential risk there vs. credit card-it isn't linked to an account, it is linked to a credit line. The credit line

is easy, to recover the account isn't and that was the distinction that was explained.

Truesdell-Right now we have one debit card for the city and it is kept somewhere. My understanding is we would swap the debit, inactivate it, and we would get one credit card to replace it and that would be the only credit card the city would need. Of course the debit card is issued in the name of the account and the credit card is issued in the name of a person. If one department head needs it or promo needs it, then we would just be using the one credit card and it would be under the care of whoever our debit card is currently under the care of.

Barnes-My intent is just to replace the one debit card with one credit card. If the council wanted to expand the number of credit cards, that would be a council decision.

Alexander-Asked if there was a procedure in place for employees to sign when they check it out? And would that process would be in place for a credit card?

Barnes-That process is not currently in place but it definitely would be in place with a credit card.

Wernicke-If the council decides to go with a credit card then we should have some underlying policy about paying it off at a particular point in time-maybe we need a package in that regard specifying the card be paid off before interest accrues on it. We should have a policy about individual or department head use and how they sign out for it-who is authorized to sign on a card that says "City of Gold Beach".

Truesdell-I still have some concerns with security. Obviously if we have a debit card and a PIN #, I do understand that concept because I do get cash from an ATM machine. Once a credit card number is issued to any number of city employees-they don't ever need the card again to make new purchases. They just need the number and the little 3-digit secret squirrel number on the back. In fact, many vendors don't even ask for the secret squirrel number as long as you have the mailing address on the account and you can verify several other things that a city employee or a member of John Q. Public might know-we've lost our level of security there as well-potentially. Unless for example you (Barnes) were the holder of the card, the holder of the number and never let that information out and any purchases that would require this

would have to go through your office and your phone. I still see an issue with security with the card that doesn't change from a 4-digit to whatever they are 19-digit number with a 3-digit secret squirrel on the back.

Brennan-I think the difference between the risk with the debit card is they can wipe out the account where with a credit card-I think most fraud is recoverable on a credit card. If the auditors feel our accounts are at risk by having a debit card for use verses a credit card...I just think our risk is much less with a credit card than with a debit card. Recovering fraud from a credit card is much easier and the risk is a lot less.

Alexander-Based on what Brennan just said it might be that we set it up with a credit card, a specific line of credit amount "not to exceed" and that also would limit any potential liability-that may be something we want to incorporate into this process. That would increase our own level of security.

Wernicke-I think we need to put together some kind of a package. The fact that the auditors brought this out means they have some kind of concern and the city is probably obligated to address the auditor's concern. I don't know why we can't have both. You can keep the debit card entirely in the possession of the administrator and only use it perhaps for special purposes. The credit card, with a limitation on the amount could be used for something that wasn't very expensive and wouldn't break the bank so to speak. Setting the limitation is going to have to be well thought out. You don't want to be needing something in an emergency situation and you don't have enough money on the visa account.

Alexander-If we had both, that doesn't seem like it would fulfill the concerns of the auditor when they specifically designated the debit card as the problem. If we had the credit card specifically in the hands of the administrator that should be sufficient.

Peterson-You said our attorney would have to draw up something-do you (Barnes) have any idea of what the cost for something like this is going to be? In addition to the attorney and the \$25 per year charge-what would the other charges be that you mentioned?

Barnes-My guess is between \$80 and \$150. It is a pretty simple letter. The only other charge would be any interest

charges. I will draft up more information for the council and have it to the council, not at the next meeting but the one following.

ORDINANCES AND RESOLUTIONS:

ORDINANCE # 597 (DRAFT) (B)

AN ORDINANCE PROVIDING FOR THE ESTABLISHMENT OF A SIX PERCENT TRANSIENT ROOM TAX, A DISTRIBUTION OF THE PROCEEDS THEREFROM TO A COMMUNITY ADVERTISING AND PROMOTIONS FUND, AND OTHER ENTITIES; PROVIDING ADMINISTRATIVE PROCEDURES FOR COLLECTION AND DISBURSEMENT OF SAME, PROVIDING PENALTIES AND APPEALS PROCEDURES AND REPEALING ORDINANCE NUMBER 592 AND ANY OTHER ORDINANCES THAT MAY BE IN CONFLICT

DISCUSSION ONLY REGARDING REVISIONS TO ORDINANCE 597-NO FIRST READING AT THIS TIME

WERNICKE-We went through this ordinance during a work session where we made recommendations on a number of things. We have a copy reflecting the changes that were recommended or discussed. Perhaps we should go through this one page at a time with the "red" noting the changes.

Barnes-The reason I brought it back for additional discussion is I did not receive comments from all councilors and a different recommendation was given to me afterwards. Maybe we should pull out the whole committee process and separate it from the ordinance as a separate ordinance. Those are issues that need to come back for council discussion and direction to me to revise and bring back to you. That's the reason I recommended bringing this back. (Technical difficulties-no video)

Truesdell-I read through this and I didn't see any recommendations other than the ones I heard at a meeting and the ones I recommended to you in an email and copied the council on. You (Barnes) have done a commendable job. The things that concerned me are generally satisfied, so for expediency, maybe the council would find that it would be better for you to bring up points that are still needing addressed. You are kind of the key figure that heard the input from everyone.

Barnes-It's not so much what I'm seeing that still needs addressed, as direction from the council. If you are comfortable with it, then my next process is we need to approach and negotiate with Jot's through our contract with

them. Before we get to that point, it is best to know where the council wants to be with the document. That's where I am - to get that guidance so I can proceed with the project.

Alexander-I've read the proposed and crosschecked it with the original and I'm very comfortable with it. I echo Truesdell's comments-you've done an excellent job.

Brennan-As far as the document goes-it is fine. There was a reference to the word MOTEL and we've eliminated MOTEL in the entire document. I just want to make sure that we didn't want to take that out and change it to the wording that we're using now (lodging establishments). We did want to take out MOTEL, right?

Barnes-That was my one recommendation to make the term more generic. It has come to my attention that there is some kind of an issue with the owner of Jot's. I haven't spoken to her about it so I do not know what the problem is. That particular element may have to come back for changing again based on what the comments from Jot's are.

Brennan-Under paragraph para 4, MOTEL is still in there. (Barnes will correct that). Page 4 para C, section 6, we talked about private homes and then at the end it says "deals with operation of renting such condominiums or vacation cabins". I think since because we referred to private homes earlier, we should probably include private homes at the end. Those are the only two issues I had.

Alexander-On the HOTEL vs. LODGING ESTABLISHMENT - Hotel is a very specific lodging entity as opposed to a motel, RV, campground, that sort of thing. You hear the word hotel, you think of something like the Hilton or the Ritz and it is specific to that type of structure. I think LODGING ESTABLISHMENT covers everything from TU TU TUN lodge to an RV Park, therefore it is more generic, more beneficial to our purposes.

Truesdell-Page 13, re-marked item "F". I would like to know, mechanically, that this is not going to unnecessarily burden the council. I brought this up initially for a better definition. It says the "tax administrator and city council shall approve all expenditures from the promotion fund prior to expenses being incurred". I'd like to assume that means that if it is budgeted, that is our approval because when the promo committee is up and going at full steam, they might be

doing 20-30 commitments per month and time is of the essence. We could not, nor could they, be held up nor could we be expected to meet every time in advance when they wish to make a purchase. Is that the best way to word that that some tough city council in the future couldn't say "no, it has to be done in advance before you spend the money-it has to be brought before the council". Is there a way of reference by virtue of budget approval or something similar?

Barnes-I will try and re-word that and bring it back to you.

Wernicke-It reads as if it is any expenditures out of the budgeted amount because it refers to the community advertising promotion fund PRIOR to expenses. That sounds to me like you've already had that amount budgeted, now you are approving expenditures out of the budgeted amount. This should really be changed in a manner that would reflect the committee can do that without the administrator and council approving every expenditure out of that fund.

Alexander-In the budget process, the budget committee meets and makes the final approval but it doesn't come into affect until the council goes through the adoption process -that is where the council approves this section of the budget. That might be a place to "tie" it to. The formal adoption of the budget as presented by the budget committee as the point of approval. At the point of adoption, it is approved.

Wernicke-Question on 9 sub C on Fraud. It used to be 25% and that has been changed to "up to the maximum amount allowed by state law". I see that as somewhat confusing because it is a punitive measure, it is not a business transaction measure. State law would have interest limitations based on financial transactions-I don't know that they would have an interest limitation or even address the issue of a punitive measure, such as this is. I don't know if you wouldn't want to go back to the 25%, just to make it clear. It is not a transaction, it is strictly a punitive measure and used as a deterrent. If you're going to go with the maximum amount allowed by state law you are running the risk of "what state law?" You may be looking at a state law that says over 15% or something, which has nothing to do with punitive measures, it only has to do with transactional measures.

Further discussion followed regarding "fraud" and penalties-interests. The city attorney will be asked to specifically address this.

The process of appointing applicants to the promo committee was discussed. Truesdell would like to see the positions filled as quickly as possible because the committee is having a problem with having a quorum at the meetings.

MUNICIPAL CODE ADOPTION PROCESS

DISCUSSION ONLY REGARDING MUNICIPAL CODE ADOPTION PROCESS

WERNICKE-After a number of years, our legal firm has codified (at least) a majority of our ordinances and placed them in CODES and identified as singular numbered ordinances. When you look for a particular ordinance, you can find it in a code that is designed to hold that particular type of ordinance. Example-the administrative code-includes all those individual ordinances that relate to the administration of city government. The local improvement code-takes individual city ordinances related to local improvement and codifies them in one code. Similar with the traffic code, utility code and the Gold Beach Nuisance and Offense Code. By codifying them it gives you a break from the current "hunt and peck" system.

We need to discuss whether we want to pass these codes, get these adopted, and then in the process, come back and amend them or whether we want to try and amend individual ordinances before they are placed in a code form. Any comments?

Truesdell-My issue with what I think was the adoption of the business, utility, nuisance, traffic, administrative, without even looking at the content. You were very articulate in defining and making it very clear of the work that would be needed to adopt six ordinances, three readings, lengthy adoption process, first reading, second reading followed by the 30 days before enactment. Some areas, I know with nuisance and several other areas, the council already looked at this last summer and identified some glaring weaknesses and inconsistencies. My concern is in areas where the council, from our recent experience, is aware of some really unenforceable things, (change of tape-lost a few words)..... That are not argumentative amongst the council should be looked at amending as part of the process. In other words, if we're going to go through this long and convoluted process, if there are some obvious glaring problems, we should fix those and include those fixes. And come back at a later date if we find other issues, which we obviously do, unless I am missing what it is we are trying to do.

Wernicke-We would have to do that process whether we adopt them later, we would still have to go through that same lengthy process.

Barnes-Yes but Truesdell does make a valid argument in the sense that to adopt the code, it will have to be done through six ordinances because you adopt each chapter, each code. If you make changes and adopt-the changes take affect with the adoption. If you just adopt the code, then you still need to go back and make changes. So you have to come back and reapprove the ordinance after you have made changes, so it is a two-step vs. a one step process. The other side of the equation is it can be a very lengthy process to do that if you want to go through each ordinance in detail. If you make the changes before you adopt the code, those changes will become affective with the adoption of the code. So you don't have to adopt the ordinance and then adopt the code.

Truesdell-I wasn't looking at all six but I was specifically looking at our nuisance code, regarding our noise ordinance, which we wrestled with all last summer. We made decisions, whether they were good, bad, or indifferent, based on what we all thought the ordinance said and we acted in the best faith that we could. Noise ordinances don't seem to be an issue this time of the year, they are an issue in the spring when the weather gets nice and they continue through the summer. My specific concern was with the noise ordinance, it is in the noise section of the nuisance ordinance, and we know we have a problem. If we go through this process, just on this one, the nuisance ordinance, and we take 30-60-90 days to do that, we're going to be into spring by the time the nuisance ordinance is adopted and it will be spring. Then if we say, "oh by the way, if we wanted to correct this glaring problem that we had troubles with last summer", we start on it in the spring and we go 30-60-90 days and now it's August potentially, before we get it revised again to solve the problem that we know exists right now.

My suggestion, respectfully to all councilors and the city administrator is that on areas that we know we have a specific problem, let's fix the problem, then go ahead and adopt the ordinance so that by the time we get around to March or April, that nuisance ordinance no longer has the problem that we had with noise.

Barnes-We can adopt each individual chapter of the code, separately. Each one has to be adopted by separate ordinance,

we can do that on different nights or you can do that all in one evening if you so choose to do so. If you did it all in one evening, you would adopt the entire code structure, at which point you could go back in and revise. That is one method of doing that. To do that, it would still take, first, second and 30 days.

You can adopt the code in sections. Let's say you only want to tackle two or three of them at one meeting, then the next meeting, do the next three, so it would be a roll out process. Again, it's still going to take, for each time you do this, the 30-60-90 days.

If you make changes to the ordinances, as you are adopting the code, the length of time could grow significantly depending on the amount of time spent deliberating those changes. So it could pass that on even further, it just depends upon your deliberations. If they are clean and easy changes, they should go very quickly. If they are contentious items, it may draw out over several council meetings before you can make those changes, which will make the adoption process even longer.

One example - the one chapter of the code you do not have is the zoning and land use section. That is because the planning commission is working on it. They chose to go through and revise ordinances, update them and put them into the new code structure. To do that it has taken about a year. Then it will come to you for adoption. Just so you are aware, it was a very lengthy process for them to go through. You're looking at an issue of time here. There is a matter of convenience to have the code adopted and then come back and do the revisions. It just makes it easier for folks to see and easier for staff to find. It's a decision for the council to make and then give me direction on how you want to proceed.

Wernicke-The laws are in affect whether they are in the code or whether they are like they are now, filed by year.

Barnes-You're never going to get all the laws the way you want them. That's not going to happen because that's your job as council. It is an on going process-the code and the laws are evolving - a growing entity-it will always change-that's your job. There is one argument to be made of just putting the code structure in because of that and then come back and do revisions. If you know of any quick changes that are not contentious, you may want to do those, have it adopted, then

come back and discuss the more contentious ones. There are arguments for both procedures.

Wernicke-If the council passed the ordinances, codifying these and subsequently wanted to take one section, say the nuisance and offence code like dogs running at large prohibited, and change that one section, would it be necessary to re-adopt the entire ordinance? **Barnes**-yes

Alexander-Could we sever the structure from the actual content of the ordinances, approve the structure as the outline and then tackle the individual ordinances within the body of that structure? In other words, can we look at the structure that was built, to codify the code, approve that structure without changing the content of each ordinance? That would give us the basic framework to begin to get things set up in the electronic media that we have available without trying to bring down that particular bull elephant right away. Or making a critical error of doing a blanket approval of an ordinance or code structure, including the content of the ordinances and any changes that may inadvertently slip in in the process. Could we approve just that structure to allow the administrator, for example, to get the web site set up as a place to put the ordinances without changing the ordinances.

Barnes-Interesting question. On the one hand I don't think you can sever because the structure is keyed to specifically how the ordinances are written-sections within each of the ordinances. That might be very difficult if you change sections, if you eliminate sections, then you've got this awkwardness of a structure that is in place that is missing a section. I'm not sure you can sever. On the other hand, I'm not sure there is a need to because those laws still exist. If you want to upload them to an Internet site to make them accessible, it just lets people access the existing laws. I don't see any reason to have them access a code structure that has nothing there when the existing laws are what that code structure is built on.

Further discussion ensued regarding this issue and the best way to proceed.

Brennan-Gave reasons for adopting the code structure and then look at making revisions instead of making revisions first and then adopting the code structure due to the length of time involved.

The consensus of the council was get the code structures approved.

Barnes-Process wise we can provide the code, make it available on-line and have print copies available here, copies available at the library for individuals to review. That is the proper way to proceed with this-once we're at the point where council is actually considering adoption. My next question is-I can draft up the ordinances for you to consider-which meeting would you like me to schedule this for? (Consensus was the first meeting in January) Let me verify that there aren't some specific requirements that there is a 45-day notice because we're dealing with codes. I just need to confirm that to make sure we follow proper adoption procedures. If that changes I will notify council.

RESOLUTION R0910-8 (C)

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO CONTRACT FOR VALUE ENGINEERING SERVICES

Barnes-As you can see in the background material, this relates to the wastewater treatment project. As a condition of receiving the zero percent interest through the State Revolving Loan Fund (\$5 Million dollar loan), we will have to complete the value engineering because the construction costs at this time exceed \$10 million dollars. It is a requirement, we don't have a choice. They will not sign a loan agreement without the value engineering being completed.

A couple of points to note-the Superintendent of Public Works and I met with the engineering firm and looked through the current construction design to try and find a way to reduce the cost and get it below \$10 Million. I don't want to say "to get around the value engineering" but to keep this project moving forward as best we can. In all honesty, we could not do that without compromising the long-term integrity of the facility.

We're proceeding now with looking at contracting out for value engineering. Normally value engineering would be done earlier in the project (35%-50%) to give the design team the opportunity to make adjustments more efficiently. That was not possible at the time. Partly because of the way the State Revolving Loan Fund process worked. It wasn't ready for us when we were at the 35%-50% process. We didn't know we were going to get into this issue.

The process of value engineering is we will basically contract with a qualified engineer. That engineer will pull together a team, usually 3-5 other professionals, they will look at the current design of the facility (currently at 90% plus) and they're looking for ways to reduce costs and improve efficiencies to enhance the project basically. They will make recommendations back to us, we will then sit down with the engineers and decide what adjustments, if any, are needed. This process will take 3-5 days once we get the team hired. It will cost approximately \$20,000 - \$25,000, which is a typical cost for this. Jan Kerbo, the engineer that has been involved in this project from the beginning said the previous council and mayor wanted to have a value engineering done.

MOTION: Peterson moved to adopt Resolution R0910-8, A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO CONTRACT FOR VALUE ENGINEERING SERVICES, second by Brennan. Crook, Brennan, Peters, Truesdell and Alexander voted "AYE". VOTE 5 AYES

MAYOR-COUNCIL COMMENTS

Councilor Crook-Commended the food bank on Third Street that has done a lot of good work in helping out the people that need it.

Councilor Peterson-The Rotary has taken on a big responsibility this year. We're going to be making sure there are a lot of families that have a Christmas this year. In order for us to raise some funds, we're got a trailer load of fruit coming in boxes, bags and baskets. We're going to have oranges, apples, grapefruits and pears. When it gets here you'll see a sign "Rotary Christmas Fruit Sale". Every penny we earn will go towards helping the people that need it. It will probably be at the fair grounds.

Truesdell-Happy holidays to the council and citizens of Gold Beach.

Mayor Wernicke-Thanked the City Administrator for all her hard work. She has been buried with a lot of assignments. It would really be helpful if some of the individual councilors might give her a break on some of these things. She has really been working hard.

Our City Administrator has been appointed to a League of Oregon Cities Committee-the General Government Committee. It is one of the more important advisory committees to the LOC.

I was appointed to the Legal Advocacy Committee. This is the first time that anyone in Gold Beach has served in those capacities. I think it will be helpful for this community to have representation with the League. It is the more important organizations in this state for municipal governments. The Administrator and I will have the opportunity to deal with a lot of different cities and lot of different issues. We will have the opportunity to learn a lot of things that we can bring back to this community that will help us.

One of the things we want to get started on is Goal Setting. The council has been busy this last year patching, changing, and trying to catch up from some years of neglect. I think we have come to a point where the council can sit in session and start developing goals. I will be asking the League if they have a representative that can come and make a presentation to the council about procedure, an outline, a way to develop them and what the potential pitfalls are once we get started. It is an important but difficult process.

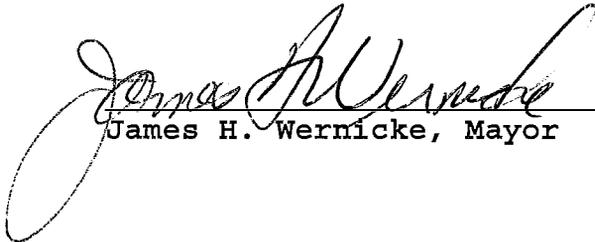
ANNOUNCEMENTS

The next regular meeting for the Gold Beach City Council is scheduled for Monday evening, DECEMBER 14, 2009 in the Council Chambers of City Hall, 29592 Ellensburg Ave., at 6:30 P.M.

ADJOURNED at 8:00 P.M.

The location of the hearing/meeting is accessible to the disabled. Advance notice is requested if special accommodations are needed. Call (541) 247-7029 so that appropriate assistance can be provided. The City of Gold Beach is an affirmative action EEOE and complies with section 504 of the rehab act of 1973. Complaints of Discrimination should be sent to: USDA, Director, Office of Civil Rights, Washington, D.C. 20250-9419

PASSED BY THE GOLD BEACH CITY COUNCIL ON FEBRUARY 8, 2010.


James H. Wernicke, Mayor

ATTEST:


Shirley Walker, Recorder