

MINUTES

**CITY COUNCIL CHAMBERS, CITY HALL
29592 ELLENSBURG AVE
GOLD BEACH OR 97444
MONDAY, JANUARY 8, 2007
REGULAR MEETING: 6:30 P.M.**

MAYOR POPOFF CALLED THE MEETING TO ORDER AT 6:30 P.M. :

THE PLEDGE OF ALLEGIANCE:

ROLL CALL:

	<u>PRESENT</u>	<u>ABSENT</u>
Mayor Karl Popoff	X	_____
Council Position #1 Sue Johnson	X	_____
Council Position #2 Don Flynn	X	_____
Council Position #3 Mark Coltrane	X	_____
Council Position #4 Michele Martin	X	_____
Council Position #5 David Alexander	X	_____
City Administrator Bob Bare	X	_____

**NOTE: Comments and participation from the audience shall be limited to 5 minutes without redundancy.

SPECIAL ORDERS OF BUSINESS:

- A. MAYOR & COUNCIL VOLUNTEER AWARD - Margie Roberts
(Postponed-Roberts is still out of town)
- B. APPROVE/ACCEPT FINAL ORDER and FINDINGS OF FACT OF UPSHUR APPEAL-FILE # GBA-0601 (A)

MOTION: Johnson moved to approve/accept the final order and findings of fact of the Upshur Appeal, File # GBA-0601, second by Flynn. Johnson, Flynn, Coltrane, Martin & Alexander voted "AYE". VOTE: 5 AYES

CONSENT CALENDAR: (B)

- A. Approval of Council Minutes of 12/11/06 & 12/14/06.
- B. Review of bills paid in the amount of \$58987.91.

MOTION: Alexander moved to accept the Consent Calendar as presented, second by Coltrane. Johnson, Flynn, Coltrane, Martin & Alexander voted "AYE". VOTE: 5 AYES

CITIZEN AND/OR AGENCY REQUESTED AGENDA ITEMS:

Sandra Gilkey - 94470 Chase Lane (C)

Because of a limited time I will be reading this into the record and will recap my questions, also for the record and I would like to have a reply from each and every council member, individually. Gilkey read her comments the record (C)

Questions: A recap of my questions: When did you meet to discuss the levy and why wasn't it duly recorded? With the enormous increase in sewer rates, why would you even consider asking the taxpayers to dig deeper into their pockets?

Popoff-To begin with, there was never any intention or any discussion concerning a levy going on out. We're only too aware that the sewer project is indeed taking up an awful lot of money. We know that. Yes, we did start paying back that money that was taken from the sewer and water fund. We're not going to do anything, as far as I know, and as far as the general intent of this council, to add any further monetary burden on any of our taxpayers. Fact is, none of us here like the fact that this sewer treatment plant can go up to \$60-\$68 per month. We're still trying to look for ways to bring that down. Your first question-there was never any discussion about that-there was never any discussion.

Gilkey-Are all of the councilors in agreement with that? I would like to hear individually from them.

Popoff-You will but we'll do it the way I say right now, OK? Now, Councilor Johnson, you have a chance to respond.

Johnson-When did we meet to discuss a levy and why wasn't it duly reported? We did not meet as far as I'm aware, to discuss a levy, so therefore it wouldn't have been reported, period. We did not meet to discuss a levy. With the enormous increase in sewer rates, why would you even consider asking the taxpayers to dig deeper into their pockets? I don't expect them to, and I will not vote to ask them to.

Flynn-To my knowledge, there has never been any discussion about the possibility of a tax levy for law enforcement, or whatever. First I heard about this was the same place you heard about it, there may be an explanation from Mr. Bare, I don't know. No, no way would we put a levy before the voters.

Coltrane-I also have no idea, to my knowledge, there has been a meeting to discuss any of this. I would not support it, if there were a meeting. I would not even consider asking for

increases in rates because of a levy. I, like the other councilors, learned about it at the same time. We did not have a meeting in regards to that.

Martin-I'm not aware of any meeting that took place regarding that levy that is being discussed. As far as the sewer rates, I am one, and all of us here do not want to have to increase our sewer rates. But in order to pay for this, this is something that we're going to have to do unfortunately. Hopefully we can continue to search out other areas and means that may be able to help the citizens so we can decrease that \$60 down a little bit. That is my goal, my true and heart goal. You stated that Chief Merkley's integrity was questioned: I, for one, have always been 100% supportive of our police chief and our police department. As far as I'm concerned, as council member, he is doing an outstanding job and I will stand behind him.

Alexander-Like yourself, I first learned about this when I read the grant application (D). Actually, the same red flag that went up for you went up for me. I was left somewhat confused. I did take the time to get with our city administrator, because I had not participated in any discussion, and I found out it may have been a misinterpretation of a discussion that was held. The point is-we've never discussed it in council. To answer your (couldn't hear) ties into your second question-with the burden that is already on the citizens to pay for the sewer plant, which we can't get around, we have to do this, there is no way that I would support any city action that would require an additional burden on the taxpayer. Either it would have to be something that is revenue neutral or offset by other savings that it would create.

Gilkey-Thank you for your answers. Now I have four other questions.

If you, as the city council, had no knowledge of this levy, why would you allow the grant to be approved and written?

Popoff-Quite frankly, no one on this council, at the time, knew that the grant was being written or the grant request was being written. I did not find out about it until after the fact and I had not read the application, all I knew was the money had come in or that the grant had been accepted. I thought it showed initiative on the part of the chief, to be honest with you. To be able to come up with something that did not indeed cost the city hardly anything at all. The one

that was actually working with the chief on this would have been our administrator, Mr. Bare and I think that is a question that needs to be directed to him.

Bare-The letter that was prepared to request the foundation for the funds was done so with my approval and I, like the Mayor, and I'm a city resident also, think that if we can get some funding, and some items without having it cost the taxpayer anything, I think it is something I feel is worthwhile. And that's what I felt on this.

Gilkey-So you approved the application as written? (Bare said "I approved the application, yes) Is it the policy of the city for the administrator to approve these?

Popoff-The administrator is the chief financial officer, he does have that authority but on the other hand, I have to remind you that this is something that an error was made. Approximately 5 years ago, the council voted that all grants had to go before the council for their approval prior to being submitted. First of all, Mr. Bare did not know about that-we didn't have it written anywhere other than in the minutes 5 years ago. We've taken measures to make sure that doesn't happen again. Our chief did not know about that either. That's what he said and I believe him.

Gilkey-Under what circumstances did this council finally gain knowledge that this grant was being received, and if you had no knowledge that it was applied for, how did you find out they even had the grant?

Johnson-I can tell you how I found out - Mr. Bare told me they had received a grant and told me about it. I said it didn't go before the council and that is a requirement due to city policy. I didn't know about it until it had been received and some of it was already spent. There was reason that we implemented that policy 6 years ago, almost 7 now, which I guess is germane to our conversation. There was a policy and it was not followed.

Gilkey-Would the city be liable to re-pay the grant because of the false statement in applying for it? It is a false statement. There's been no discussion of a levy.

Bare-I believe we have a member of our budget committee, Frank Roberts, who made contact with the person that is the administrator for the foundation that did the grant funding.

He was made aware of what Mr. Roberts had told him and the facts surrounding what was written the application. He said to go ahead and spend the money.

Johnson-Did Roberts explain to him how it was done? I never knew that? (Bare said yes, Roberts told him that) and he said we could spend the money however we wanted to? (Bare-YES)

Gilkey-Even though it was a false statement? They don't care how they spend their money obviously.

Bare-I didn't talk to the foundation, I just talked to Frank Roberts.

Flynn-I found out about the grant after the check had been received. My response, since I'm only a single councilor, I'm not in an administrative authority position. I found out from Mr. Bare and suggested that until such time as the council was made aware, I thought it would be best to hold on to that check until everyone was made aware of what was going on. By the time I received a copy a the request letter, it is my understanding that an account had been opened to put that money in and that a sizeable portion of that money had already been spent.

I was also given to believe that should we not accept the grant, and the grant would have to be sent back. That any loss (if you will), due to having spent money or to return items or whatever, would be laid directly on the individual councilors. That we would, in fact, as individual councilors have to make up any difference.

Gilkey-So you are stating that the city and the councilors and the Mayor had no knowledge where this money was at the time?

Popoff-We did not know at that time. (Johnson said "I didn't know")

Gilkey-It's a poor way to run a business. (Johnson-I agree) First you make a false statement to get the money, then you put it somewhere where nobody knows about it.

Coltrane-No, the council did not make a false statement. (Gilkey-I'm aware of that but somebody did) It's difficult for me to operate and make decisions when no one makes me aware of what I'm going to make a decision about. I think each one of us here were put into that position. It would almost appear

that it was somewhat orchestrated to have this result. I won't say I'm 100% convinced of that.

Gilkey-If the council had turned down this proposition twice, I would say it was. You may not be able to say it but I can say just about anything I want as a citizen.

Coltrane-And as an American. OK, if you wish to say that. It's not that I can't either, it's just that I have a lot of years experience having my facts here before I open my mouth, unless I want both of my feet in my mouth. And I don't want to do that right now. I can tell you this is something that has gotten my attention in a lot of different areas and it is something that I am willing to and I'm going to, and I've already started to work on to correct so that we don't have to go through this again. This has been an expense to us in our time and our efforts and our emotions and we don't need that.

Gilkey-Well it kind of reflects badly on the council.

Coltrane-It certainly does. I will say again, I wasn't aware of a lot of this. I don't go around every day getting an inventory of what everyone is doing. I don't feel that is part of what I should be doing. That's micro-managing and I don't think we need to do that. I've seen that happen and it doesn't work. I am willing to work to try and correct it. Maybe I'm a bit naive but I think out of everything bad or negative, if you work at it, you can learn and turn it around and get something positive out of it. That's my goal-to salvage what we can at this point, so that we don't sit up here and I don't feel flushed because I'm embarrassed because I didn't know something.

Gilkey-I would just hope that if there are policies and procedures that the council has to follow that the city manager should check into those before he approves something. Especially when it was a falsified statement to begin with. I don't understand how you could approve something like that.

Popoff-Once again, real quickly. The city administrator did not know about this policy. If there is any fault to be blamed, at this time, when the chief told me, once again, I thought it was great, I still do. Even I had forgotten all about that policy. It was not written. I admitted it and as much to my own embarrassment, I did admit that I made a mistake because I forgot about that policy that we made 5 years ago. It was not written anywhere except in those

minutes 5 years ago. Believe me, in 5 years, sitting up here, each and every one of us go through an awful lot of business. Once again, we have taken precautions now that that particular rule is not forgotten again. We made a mistake. I made a mistake, I should have told the chief and Bare at that time but I had forgotten about it too.

Gilkey-That does not excuse the fact that he (Bare) accepted it and let the chief send it off, knowing full that was not a true statement in there.

Popoff-I cannot speak for the chief or Bare. What I'm talking about is myself right now. Where I made my mistake because I had forgotten. With the sole exception of Johnson, the 2 of us were the only ones up here 5-6 years ago when this was talked about and action was taken at that time. She has a lot better memory than I do.

Johnson-I didn't get a chance to tell you anyway because I didn't know about it. None of us did. Shirley was gone-she would have known but it was done while Shirley was gone.

Martin-There are times when we are up here and we're having discussions and I don't know what may have happened or not, but it is worth investigating-it states here "the city is preparing to offer its citizens the opportunity to vote on a levy in order to increase the police department's manpower by 2 officers". It could be possible that in our discussion, that maybe something like that was said (couldn't hear). Gilkey said "it was not, I checked the minutes quite a ways back) I will be checking myself too. You never know, something like that may have been said.

Gilkey-If it wasn't said several years ago, how would the chief know? How long has he been here-3 or 4 years maybe? Or Mr. Bare? But still, before you go and make a statement into a grant application I would think you would check on what you're doing before you go and do it.

Martin-I, myself, did not know until after the money had been received. It was my opinion at that time that I did not realize that the money was-if there was a misquote in there on just preparing (couldn't hear) on the opportunity to vote on a levy-I need to research that for myself as well. But I don't believe that anybody would go out and deliberately make a lie to receive a grant. I don't believe that. So, we just need to investigate and find out where the statement came from. If

was intentional or how this came about, we need that person to come forward and tell us how he got this information.

(Johnson said that's what she's here for I believe) As councilors we can't give that information to her-I can't give this information to her - I haven't had time to do the research on it.

Johnson-I can tell you that we've sat here lots and lots of times, since I've been on here, (I don't know if you can find it written someplace) and talked about that we would not hire personnel with grant money because of the cost in the end. (Martin said "right") Which is what this is saying that "we're preparing to give the citizens an opportunity to do". We are not preparing any such thing. I don't have to research anything to know that that is not true.

Alexander-I got blindsided too. So I did have some talks with the city administrator and was informed that an informal discussion had taken place with Chief Merkley (I'm not sure if you (mayor) was present at that discussion) (mayor said No, not at that one, I probably was later). Bare made a statement that in a former position, he had been able to acquire grant money to bring additional officers on board. I choose to believe, since I believe Chief Merkley is a person of integrity, that the way that came down to "the city is preparing to offer its citizens the opportunity to vote on a levy"-I believe it is a levy that Mr. Bare and the chief discussed in a previous administrative position in another community. I choose to believe that that was misunderstood to the point that if that would work there and we can put such a levy up here and was an error in interpretation.

Gilkey-Why wasn't it picked up by Mr. Bare if he's the one that approved the grant?

Alexander-That gets back to where the policy was that a council needs to approve this and as Mr. Mayor explained, that fell through the cracks. What we've done to address that... I made a motion to create a record of those sorts of things in manual form. It is regrettable, it makes us all look like blithering idiots, and I understand that, although we're not. I believe we've looked at it. I have to believe it was a honest mistake, made honestly, the way it was worded is problematic, I agree but I think how that was created was honest misinterpretation. The good thing, in my opinion, is it brought out the fact that there was this policy that slipped through the cracks. Mr. Bare didn't know about it because

I've asked him, I didn't know about it but then I'm the rookie on the council. Mayor Popoff had forgotten, just considering his work load, it is very understandable. We've seen that there was something that needs to be addressed, I believe we had addressed it. I'm certainly going to be looking at anything of that nature, because as I've said, our primary goal is to get our sewer paid for and any other revenue matter has to pass that test.

Gilkey-I'd like to make one statement and one statement only. It seems to me that this grant was applied for, no one knew about it, the money was received, money spent, then you found out about it, then you had to make resolutions allowing you to accept it to be used for something that this council, or a council passed had turned down twice before. So this grant would have never been applied for if it had gone to the council to begin with. There's money to be spent but not for something like this.

Popoff-Wait a second mam. Councilor Flynn has spoken to me and said if it had gone by and he'd known about it and everything like that, well I won't speak for him (Flynn replied-please don't).

Johnson-(To Gilkey)Your point is taken with me.

Gilkey-I think I've made my point, it had been turned down twice.

Popoff-I'm asking you-who turned it down twice?

Gilkey-The city council turned it down.

Popoff-The council did not turn it down twice.

Johnson-The budget committee, which includes the city council, turned it down 9-1.

Popoff-The budget committee brought that out. That was part of the budget. But it also was part of a budget that was because the police dept receives over 50% of general funds. They are the largest single entity that uses those funds. None of that money, the \$25K did not come out of the general fund. (Gilkey said I'm aware of that) I just want to make that distinction. Do you have anything further you'd like to add?

Gilkey-No, I don't think so. I think I made my point.

Popoff asked Chief Merkley if he would like to respond to this, he would like to give him that chance. (Merkley responded No, I'd rather not)

ORDINANCES AND RESOLUTIONS:

RESOLUTION R0607-8 (E)

A RESOLUTION CONFIRMING COUNCILORS' ANNUAL APPOINTMENT OF MAYOR PRO-TEM FOR THE CALENDAR YEAR OF 2007 AND RESCINDING RESOLUTION R0506-10

MOTION: Alexander moved to nominate Michele Martin as Mayor Pro-Tem for 2007, second by Johnson. Nominations were closed. Johnson, Flynn, Coltrane, Martin and Alexander voted "AYE".
VOTE 5 AYES

MOTION: moved to approve Resolution R0607-8, appointing Councilor Martin as Mayor Pro-Tem, second by Alexander. Johnson, Flynn, Coltrane, Martin and Alexander voted "AYE".
VOTE: 5 AYES

RESOLUTION R0607-9 (F)

A RESOLUTION CONFIRMING THE APPOINTMENT OF THE BUDGET COMMITTEE MEMBERS AND SETTING TERMS OF OFFICE AND REPEALING RESOLUTION R0506-12

MOTION: Johnson moved to approve Resolution R0607-9, and appoint the City Administrator as Budget Officer, second by Coltrane. Johnson, Flynn, Coltrane, Martin and Alexander voted "AYE". VOTE 5 AYES

RESOLUTION R0607-11 (G)

A RESOLUTION SETTING A FEE SCHEDULE FOR CITY SERVICES AND RESCINDING R0607-2 AND ANY OTHERS THAT MAY BE IN CONFLICT

MOTION: Alexander moved to approve Resolution R0607-11, second by Flynn. Johnson, Flynn, Coltrane, Martin and Alexander voted "AYE". VOTE: 5 AYES

MISCELLANEOUS ITEMS: (Includes policy discussion & determination.

Popoff stated: I'm not happy about this and there isn't a councilor here that is happy about this but we have no choice It was previously announced at several public meetings that Phase 2 of the sewer treatment plant reserve fund would

increase the fee from \$10.00 per ERU to \$20. on 1/1/07. The hospitality industry will increase from \$6. per ERU to \$12. per ERU. This is just a reminder that your January's bill will reflect that increase. This is what we call "pro-active" billing. The larger our sewer reserve fund is when we start borrowing money for the construction, the more interest we will have earned and the less we have to borrow, resulting in a lower monthly rate for our users.

Coltrane-It appears to me that avoiding this in the past is what got us into the mess we're in. Now we're biting the bullet.

Alexander-Since this was done before my term, I do want to commend the sitting council for at least coming up with a way to do this in increments, rather than having it hit all at once. It doesn't eliminate the blow but it does soften it.

CITY ADMINISTRATOR'S REPORT:

I sent a note to each councilor about the Lard Norton Foundation and I received a majority of the responses back. We have about \$44,000 that will not be covered in the DEQ loan for the new wastewater treatment plant, in particular for the wet land project that we're proposing. I've located a grant that I'd like to send a letter of inquiry out and if we're successful, we might be able to get as much as \$20 K of that \$40 K taken care of that way and I'll continue to look for other funding to offset costs. Also there is a renewable energy feasibility fund grant that is through the Oregon Economic Development Department, a letter of interest and the application for funding request is due in March. There is a 20% match. I think I may have located an entity that may help us out on that, I'll let you know if that does occur. That's where the alternative issue, which is wind power. That's looking up.

The airport drainfields: The port commission asked me to meet with Moe Johnson, their president, which I did. Johnson gave permission to Jan Kerbo to contact the FAA about the drainfield placement. We also received an airport master plan that she is in the process of reviewing and I will forward that info to you. She is going to request a meeting with the FAA, if that does materialize, I will let you know.

MAYOR AND COUNCIL COMMENTS:

COUNCILORS:

Sue Johnson-First thing I want to say to Mrs. Gilkey is I've been volunteering in the office. Shirley is starting to put together some budget figures and she is dedicated to putting all that we can this year towards our payback to the public works. \$400K may be a drop in the bucket of an \$8 million dollar project but every little bit helps. The more we can get paid back on that, the less your water/sewer bill is going to be.

I want a correction. I've talked to Mr. Bare about this. I was alarmed, when I read 2 weeks ago in the Curry County Reporter that the chief of police and the city administrator, in their speeches around town - this just jumped right out at me-were saying: It says "Bare reported statistics citing Gold Beach is 4th in the United States in Meth use". Mr. Bare is very easy to talk to and always comes up with what I ask of him. I knew that was not true, 4th in the United States- there's no way it could be and I was alarmed that that is what was being put out to people about our town.

Part of our job up here is economic development. That is part of our pledge I believe. I would not move to a town or start a business in a town that said "4th worst meth in the United States. So I told Bob I would have to see the information he received from the state. (H) I am certainly not trying to say we don't have a meth problem here-that has nothing to do with it. Of course we do and I know it.

The only thing I could find in this information-it says very clearly here "Oregon ranks 4th in the United States for illicit drug use among adults age 26 and up and drug abuse dependence among 18-25 years old". Well, it doesn't say Gold Beach is 4th per capita, so I went in and asked Bob. I asked him why he and the chief are saying Gold Beach has the 4th worst. He said he was misquoted in this newspaper article. What he said he said was "Southern Oregon has the 4th worst". In this information, I don't find anything about Southern Oregon either, but that wasn't my argument. My only concern was what was being said about Gold Beach because I really feel that is not what we should be working for as a reputation for our town. Especially if cannot back it up with something. Bob kept insisting that he was misquoted in this article-that he said Southern Oregon was 4th worst, and then I said, "please have a retraction or correction made". He told me he would. Well, the paper came out and there was no retraction or correction, so that's why I am bringing it up. I would like to have it in the paper that according to what Mr. Bare is

telling me, he was misquoted here, that Gold Beach is not the 4th in the United States per capita for meth. I just think that is a horrible thing to have out there about our town. The retraction wasn't in the paper and that's why I'm bringing it up tonight. No insult or anything intended to you (Mr. Bare). I'm going by what you told me. I really think that needs to be corrected-that is a pretty bad statistic.

Mark Coltrane-I had some things but I think most of it has been taken care of already.

Michele Martin-I'd like to say thank you again to our city administrator for the job that he has been doing and for our chief of police and our fire department. Our city wouldn't be going if it wasn't for these people working for us. I appreciate it very much.

Hopefully, if things are quoted in the paper, they will be quoted correctly. I'm not saying the paper made a mistake or Bob (Bare) made a mistake. We are learning tonight that you really need to watch what you say. I haven't heard any bad things about anybody getting hurt, or (couldn't hear) we want it to be a good new year this year and have some new and good things happen for our community. I know all of us here are working towards that. I would encourage the citizens to attend our city council meetings because your input would help us make a lot of our decisions. We need to hear from you. We've heard from a citizen tonight-we thank you for coming and sharing your thoughts with us. (All agreed and encouraged people to attend the meetings)

David Alexander-I too had that same reaction, Councilor Johnson, when I read that (Meth statistic reported). I did speak with Mr. Bare about it and he explained that it was not exactly accurate as to what he said or the intentions of both Mr. Bare and Chief Merkley, whose sole motivation was to increase the awareness of the drug problem throughout our state and nation, especially the meth problem here. But certainly not to single out Gold Beach as having a drug dealer on every corner, which we certainly don't have. I took that to be accurate and you (Bare) assured me he would make certain that that particular reference didn't happen again. He would take steps to make sure it did not and I trust his word on that and of course I trust Chief Merkley's word on that also.

Popoff-On behalf of the Mayor, councilors, and city employees-I would like to wish everyone a Happy New Year. It's going to

be a good year. Things are going to continue to go forward. I'm not going to say we're not going to stumble once in a while. We're not perfect-no one is-I'm certainly not.

Popoff thanked Mrs. Gilkey for attending the meeting and voicing her questions and concerns. I have always stressed that regardless of what the person comes here for, to see people get involved in their community and local government-I love seeing it, I think we all do. (All agreed)

Mayor-if anyone wishes to add an item for Council consideration to the agenda, you may present it but the request requires a majority concurrence of the members present to be so added. Decisions on added agenda items that were not advertised on the agenda could be challenged.

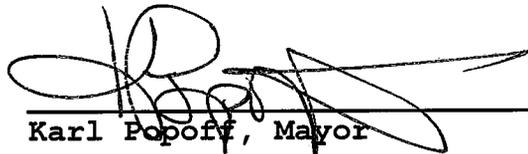
ANNOUNCEMENTS:

The next regular meeting for the Gold Beach City Council is scheduled for Monday evening, February 12, 2007 in the Council Chambers of City Hall, 29592 Ellensburg Ave., at 6:30 P.M.

ADJOURNED at 7:27 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

Approved by the Gold Beach City Council on February 12, 2007.


Karl Popoff, Mayor

ATTEST:


Robert Bare, City Administrator