

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD JUNE 10, 2014, IN THE CITY COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: Tory Allman – Joe Centanni – George Endicott – Camden King – Ginny McPherson – Ed Onimus – Jay Patrick

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Steve Bryant – Interim Airport Director Bob Noble – Airport Director Jeff Tripp – Police Chief Dave Tarbet – Public Works Director Bill Duerden – City Engineer Mike Caccavano – City Recorder Kelly Morse – Economic Development Programs Manager Gabriel Martin – CIS Administrator Sheri Cleveland – Finance/Budget Manager Jason Neff – Airport Security Coordinator Nicole Jurgensen

MEDIA PRESENT: Leslie Pugmire-Hole, Redmond Spokesman – COTV

Mayor Endicott called the meeting to order at 6:30 p.m.

INVOCATION

Pastor Arthur Wilder, New Creations Life Center, led the invocation.

PLEDGE OF ALLEGIANCE

Councilor McPherson led the Pledge of Allegiance.

EXECUTIVE SESSION

Mayor Endicott convened the Council into Executive Session at 6:33 p.m. in accordance ORS 192.660(2)(e) which authorizes executive session “to conduct deliberations with persons designated by the governing body to negotiate real property transactions” and ORS 192.660(2)(h) which authorizes executive sessions “to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.”

Mayor Endicott closed the Executive Session portion of the meeting at 7:38 p.m.

The regular portion of the meeting was called to order at 7:38 p.m.

MOTIONS AS A RESULT OF EXECUTIVE SESSION

There were no motions as a result of Executive Session.

The Council took a brief break until 7:45 p.m.

COMMENTS FROM CITIZENS AT THE MEETING

Public Works Director Bill Duerden provided an update on the “Forgotten Flag Pole” which was brought to the City’s attention at a previous Council meeting.

There were no additional comments from citizens at the meeting.

CONSENT AGENDA

- A. Minutes of May 27, 2014 P.M. Council Meeting (Exhibit 1)**
- B. Programmable Logic Controller Equipment Upgrade (Exhibit 2)**

Councilor Allman moved, seconded by Councilor Centanni, to approve the Consent Agenda, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

BID AWARD/BID REJECTION

A. Wastewater Collections SCADA Replacement (Exhibit 3)

Mr. Duerden requested award of the Wastewater Collection Supervisory Control and Data Acquisition (SCADA) Replacement Project to Portland Engineering in the amount of \$119,250.00. The City received three proposals; however, two were rejected based on failure to follow requirements of the Request for Qualifications/Request for Proposals.

Councilor Centanni moved, seconded by Councilor Allman, to authorize the City Manager to award the Wastewater Collection Supervisory Control and Data Acquisition Replacement Project to Portland Engineering in the amount of \$119,250.00, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

B. Runway 4-22 Rehabilitation Project, Phase 1 (Exhibit 4)

Airport Director Jeff Tripp requested award of the Runway 4-22 Rehabilitation Project, Phase 1 to High Desert Aggregate and Paving in the amount of \$2,633,265.50 contingent upon receipt of a Federal Aviation Administration grant. The Airport received two bids, both of which met all requirements of the proposal. The Engineer's estimate was \$3,861,967.00

Councilor McPherson moved, seconded by Councilor Onimus, to award the contract to High Desert Aggregate and Paving for Phase 1 of the Runway 4-22 Rehabilitation Project in the amount of \$2,633,265.50, contingent on receipt of FAA grant award, and authorizing the City Manager to accept the grant award, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

C. NW Dogwood Avenue Waterline Replacement (Exhibit 5)

City Engineer Mike Caccavano requested that Council reject all bids received for the NW Dogwood Avenue Waterline Replacement Project in order to add additional design scope to the project which would include replacing failing sections of the water main on NW 4th Street. Mr. Caccavano estimated that a new formal bid request could be issued in late summer 2014.

Councilor Allman moved, seconded by Councilor Centanni, to reject all bids received for the NW Dogwood Avenue Waterline Replacement Project, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

PUBLIC HEARINGS

A. Adopting the City of Redmond Fiscal Year 2014/15 Budget (Exhibit 6)

- i. **Res. # 2014-11 – A resolution certifying the City's eligibility to receive state revenues and declaring the City's election to receive state revenues.**
- ii. **Res. #2014-12 – A resolution adopting the FY 2014/15 budget, appropriating funds and approving the filing of the budget with the County Clerk.**
- iii. **Res. #2014-13 – A resolution levying taxes as provided for in the FY 2014/15 adopted budget.**

Mayor Endicott opened the public hearing.

Finance/Budget Manager Jason Neff explained that staff has one recommendation to the budget amendments which will move \$1 million from Unappropriated Reserve to Contingency. By moving the funds, the City will have the financial flexibility to cover the costs of establishing a self-fueling operation at the Airport. Mr. Neff reviewed the purpose of each resolution.

There being no testimony, Mayor Endicott closed the public hearing.

Councilor King moved, seconded by Councilor Allman, to approve the budget amendment recommended by staff, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

Councilor King moved, seconded by Councilor Patrick, to adopt Res. #2014-11, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

Councilor King moved, seconded by Councilor Patrick, to adopt Res. #2014-12, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-no, Patrick-yes)

Councilor King moved, seconded by Councilor Patrick, to adopt Res. #2014-13.

Mayor Endicott thanked the Budget Committee for their due diligence on the budget process and to staff for their hard work in developing the budget document.

Motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

B. Res. #2014-14 – A resolution of the City of Redmond to make budget adjustments. (Exhibit 7)

Mayor Endicott opened the public hearing.

Mr. Neff shared that Res. #2014-14 will make adjustments to various administrative items as the end of the fiscal year approaches. Adjustments are needed for: the recognition of bonding for Urban Renewal project; the funding for a grant supporting Cascades East Transit; increase in funds from the Redmond School District for the School Resource Officer; increase in Police personnel costs; reinvestment of grant proceeds for the Neighborhood Stabilization Program; and establishment of an Airport Legal Defense fund.

There being no testimony, Mayor Endicott closed the public hearing.

Councilor King moved, seconded by Councilor Centanni, to adopt Res. #2014-14 adjusting the City's FY 2013/14 budget, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

ACTION ITEMS

A. Res. #2014-15 – A resolution setting fees and charges imposed by the City of Redmond (Exhibit 8)

City Recorder Kelly Morse explained this is the City's first of two general updates done annually to the City's fee schedule. In addition to some minor formatting, proposed changes include removal of T-Hangar leases and increases to Public Works personnel rates and water/sewer rates.

There was no testimony from the public.

Councilor King moved, seconded by Councilor Centanni, to adopt Res. #2014-15.

Councilor Patrick noted he opposes the increase to water and sewer rates.

Councilor Onimus opined the City's water and sewer rate increases should match wage increases received by our tax payers.

Motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-no)

B. Amendments to the Scheduled Airline Operating Agreement Exhibits B, C & D (Exhibit 9)

Mr. Tripp commented that exhibits to the Scheduled Airline Operating Agreement determine how fees are calculated. In the past, the fees were primarily based on the latest fiscal year audited financials and airline activity for the same time period. For FY 2014/15, the proposed rates were based on the proposed FY 2014/15 budget.

Changes to the Exhibits are as follows:

- Landing Fees – Decreases from \$3.43 to \$2.99 per 1,000 pounds.
- Maintenance and Operations (M&O) Fees for exclusive terminal space – Increases from \$11.01 to \$11.44 per square foot.
- M&O Fees for baggage claim/departure lobby – Decreases from \$1.09 to \$0.73 per passenger
- Supplemental Security Fee – Increases from \$0.00 to \$0.37 per passenger

Mayor Endicott emphasized that these fees represent cost recovery and are not profit centers for the Airport.

Councilor King moved, seconded by Councilor McPherson, to amend Scheduled Airline Operating Agreement Exhibits B, C & D for fiscal year 2014/15, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

C. Authorizing the establishment of a City Operated Fueling Service (Exhibit 10)

Mr. Tripp stated that on May 27, 2014, the Council directed the City Manager to immediately take the steps necessary to prepare and implement a City operated fueling service at the Airport and to have it fully functional no later than July 27, 2014. Staff was also directed to present the Council with a more finalized cost estimate, a supplemental budget proposal, and the legal analysis required for a final decision. On May 13, 2014, the Council adopted Commercial Minimum Operating Standards for the Airport with the intent to provide fair and reasonable rules for governing the conduct of activities at the Airport. Mr. Tripp noted that the City was hopeful the existing service providers would embrace the new standards and engage in a discussion with the City on how to move forward with incorporating them into their business practices. Because the level and quality of services provided by the fixed base operator are critical to the Airport, staff must prepare for all contingencies such as the ability to have a staffing infrastructure in place to take over the fueling operation.

The estimate is approximate \$700,000 for personnel costs. Mr. Tripp addressed questions from the Council regarding the term length of the equipment rental.

KC Aero co-owner Ed Gilmore explained the history of KC Aero lease at the Airport noting that they have invested in their facility whenever asked to by the City. In an effort to attempt to recover some of their money which was invested in good faith, the City agreed to a 45 year lease. Mr. Gilmore stated that fueling is the "life blood" of KC Aero's business and having a City operated fueling service would bury them. Mr. Gilmore noted that there are several good things about the minimum standards ordinance that they would like to build upon and suggested that both parties open up the dialogue again.

Councilor Patrick stated he does not understand why KC Aero is not willing to adhere to the new minimum standards. Mr. Gilmore explained that the City is not required to meet the minimum standards and in order for KC Aero to meet them, they must sell fuel since the other services are not profitable.

Councilor Onimus opined that the City does not want to operate a fueling service; however, in order to accommodate customers, the City may have to establish one. Mr. Gilmore commented that customers are being taken care of and the issues brought up by the commercial airlines were all maintenance related and not fuel related.

KC Aero co-owner Arland Keeton reiterated that while KC Aero is not opposed to the minimum standards, they feel they have met all requirements of their lease and that there are more of the new standards than

required in their lease. Mr. Keeton opined that a financial discussion should take place between KC Aero and the City if the minimum standards require an additional financial investment over and above what their lease requires them to provide.

Councilor King commented that he is pleased to hear that KC Aero is willing to have a discussion; however, the issue is not about fueling alone, but rather the minimum standards. The City is attempting to elevate its standard levels and would like KC Aero to continue so long as the minimum standards are met.

Councilor King moved, seconded by Councilor McPherson, to direct the City Manager, or other staff as assigned, to immediately take the necessary steps to prepare and implement a City operated fueling service at Redmond Municipal Airport and have it be fully functional no later than July 27, 2014.

Councilor Centanni concurred with Councilor Onimus and asked staff to keep that in mind when working through this issue.

Motion passed. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

MAYOR'S COMMENTS

A. Commission and Committee Appointments

- i. **Downtown Urban Renewal Advisory Committee:** Appointment of David Purkey as a Youth Ex-Officio term expiring December 31, 2015. (Exhibit 11)
- ii. **Juniper Golf Commission:** Appointment of Patrick McDevitt term expiring December 31, 2016. (Exhibit 12)
- iii. **Parks Commission:** Appointment of Anthony Ross term expiring December 31, 2014, and Luke Purkey as Youth Ex-Officio term expiring December 31, 2015. (Exhibit 13)
- iv. **Urban Area Planning Commission:** Appointment of Thomas Kemper term expiring December 31, 2014.

Mayor Endicott recommended the appointment of David Purkey as Youth Ex-Officio to the Downtown Urban Renewal Advisory Committee term expiring December 31, 2015; the appointment of Patrick McDevitt to the Juniper Golf Commission term expiring December 31, 2016; the appointment of Anthony Ross to the Parks Commission term expiring December 31, 2014; the appointment of Luke Purkey as Youth Ex-Officio to the Parks Commission term expiring December 31, 2015, and the appointment of Thomas Kemper to the Urban Area Planning Commission term expiring December 31, 2014. (Allman-yes, Centanni-yes, Endicott-yes, King-yes, McPherson-yes, Onimus-yes, Patrick-yes)

Mayor Endicott spoke regarding a formal proposal from the Mayor of Cuautla, Mexico, to become Redmond's Sister City. Council directed staff to prepare a proposal. The Council considered whether the Mayor should attend a festival in Cuautla and present a key to the City. Council determined that while not feasible in 2014, it may be a possibility in 2015.

COUNCIL COMMENTS

Councilor Onimus reported on the Deschutes United Way's Day of Caring volunteer event. The Redmond Downtown Criterion is in need of volunteers on July 12, 2014. Those interested in other volunteer opportunities can visit www.volunteerconnectnow.org.

Councilor Patrick reported on the recent Central Oregon Intergovernmental Council meeting noting that Cascades East Transit will not be increasing rider fees.

Councilor Centanni congratulated Redmond Economic Development, Inc. (REDI) and Economic Development for Central Oregon for their successes this past year and their continued efforts. Redmond

public schools are out for the summer and Councilor Centanni’s daughter now has her driver’s license so he urged drivers to use caution. People were encouraged to shop local.

Councilor King spoke regarding the REDI annual luncheon, workforce development opportunities, American Airlines service to Los Angeles, and the Chamber board meeting. Music on the Green will start June 25 in Sam Johnson Park.

Councilor Allman shared that citizens have approached him requesting placement a 30 foot flag pole at the Eastern “Y” Gateway. Mayor Endicott stated that staff is working on a flag monument proposal for that area and the citizens can contact Heather Richards for more information.

Mayor Endicott commented that he was honored to participate in all three Redmond high school graduation ceremonies. He and Councilor McPherson received a tour of the new Central Oregon Community College Tech Center. Councilor King shared that 80 percent of the Redmond’s high school students receiving their diploma this year will be continuing on to college.

CITY MANAGER COMMENTS

City Manager Keith Witcosky visited the incident command center for the Two Bulls fire and will be visiting Portland’s emergency management facility. Mr. Witcosky announced he will be riding in the 100-mile ride Tour des Chutes. The Council received a brief update on items coming before them at the June 24, 2014, Council meeting.

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

Interim Airport Director Bob Noble thanked the Council for their leadership and collaboration as well as Mr. Witcosky, Mr. Tripp, and the Airport staff. On behalf of the Council, Mayor Endicott thanked Mr. Noble for the tremendous amount of work he performed during his time with the City.

There were no additional comments from citizens at the meeting.

There being no further business, the meeting was adjourned at 9:29 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 8th day of July, 2014.

/s/ George Endicott
George Endicott, Mayor

ATTEST:

/s/ Kelly Morse
Kelly Morse, City Recorder