



THE CITY OF
MADRAS

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OFFICIAL CITY COUNCIL MEETING MINUTES
March 12, 2019

I. Call to Order

The City Council Meeting was called to order by Mayor Ladeby at 7:00 p.m. on Tuesday, March 12, 2019 in the Madras City Hall Council Chambers, 125 SW "E" Street, in Madras, Oregon.

Council Members In Attendance:

Mayor Richard Ladeby; Councilors Bartt Brick, Rosalind Canga, Royce Embanks, Jr., Jennifer Holcomb, Denise Piza, and Gary Walker.

Staff Members In Attendance:

City Administrator Gus Burrell; HR & Administrative Director Sara Johnston; Finance Director Kristal Hughes; Police Chief Tanner Stanfill; Public Works Director Jeff Hurd; Community Development Director Nicholas Snead; City Attorney Alan Dale of Bryant, Lovlien and Jarvis; and City Recorder Lysa Vattimo.

Visitors in Attendance:

Students from Future Farmers of America (FFA); Janet Brown and Roger Lee from Economic Development of Central Oregon (EDCO).

II. Pledge of Allegiance and Prayer

Mayor Ladeby led the Pledge of Allegiance to the flag of the United States of America and Councilor Walker led the prayer.

III. Changes to Meeting Agenda (Consideration of Items Submitted Just Prior to Meeting)

No changes needed.

IV. Consent Agenda

All matters listed within the Consent Agenda have been distributed to each member of the Madras City Council for reading and study, are routine, and will be enacted by one motion of the Council with no separate discussions. If separate discussion is

desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- A. Approval of Minutes from February 12, 2019 City Council Work Session
- B. Approval of Minutes from February 12, 2019 City Council Meeting
- C. Contract Change Order No. 1 – High Desert Aggregate & Paving – Airport Taxiway Reconstruction Project
- D. State Preparedness and Incident Response Grant Ratification
- E. Bank Signature Card Updates

A MOTION WAS MADE BY COUNCILOR EMBANKS AND SECONDED BY COUNCILOR WALKER TO APPROVE THE CONSENT AGENDA AS WRITTEN. MOTION PASSED UNANIMOUSLY, 6/0.

V. Visitor Comments

There were no visitor comments.

VI. Community Grant Fund Request – Future Farmers of America (Verbal)

Mayor Ladeby stated that the Council had agreed to donate \$1,500.00 to the Future Farmers of American (FFA).

Shain Beymer, a representative from the Madras Chapter of the FFA, formally thanked the Council for their contribution.

MOTION WAS MADE BY COUNCILOR WALKER AND SECONDED BY COUNCILOR CANGA TO APPROVE THE AMOUNT OF \$1,500.00 FOR THE FFA. MOTION PASSED UNANIMOUSLY, 6/0.

VII. Audit Presentation – Fiscal Year 2017-18

Brad Bingenheimer from Boldt, Carlisle & Smith, CPA provided the fiscal year 2017-18 City audit presentation to Council via conference call and PowerPoint. He explained that there are three different reports within the audit report furnished to Council in their packet because there are three different sets of auditing standards that get applied. The first set is the generally accepted set of standards issued by the American Institute of Certified Public Accountants, the second is the Oregon Minimum Standards for Audits of Municipal Corporations set forth by the State Legislature and administered by the Secretary of State's office, and the third is the Government Auditing standards which are issued by the Comptroller of the Currency.

Mr. Bingenheimer summarized his firm's findings, noting a recommendation to the City in how they use their Internal Service Fund. A copy of the Audit is available at City Hall or on the City's website in the March 12, 2019 City Council packet.

Councilor Embanks stated that he believes all auditors seem to find something to change about the process, but it sounds like overall, our Finance Director was doing a great job.

Finance Director Hughes replied that one function of an audit is to suggest changes and she thanked Mr. Bingenheimer for his hard work.

VIII. Commercial Air Service – Redmond Airport

Economic Development of Central Oregon (EDCO) CEO Roger Lee presented the Council with a Power Point presentation updating the elected officials on how well the new air service between Phoenix and Redmond is going at the Redmond Airport. He said that as a small airport, Redmond is performing extremely well for its market level. Due to strong market demand and effective marketing, the Phoenix service has been very successful and payments from revenue guarantee funds were minimized, leaving funds available for future efforts.

The Central Oregon Air Service Taskforce (COAST) that oversees the marketing of the airport and works to bring new flights to the airport is currently working on an effort to bring direct flights between Redmond and Chicago.

EDCO Manager Janet Brown let Council know that registration is open for Pre-TSA at the airport for the next couple of weeks. The cost is \$85.00 and it's good for five years.

IX. CBD/Hemp Development Code Text Amendment

Community Development Director Snead reported that at the beginning of 2019, US Congress and the Oregon Legislature passed legislation legalizing Hemp (CBD). Previously, it was considered the same as marijuana, so both State and Federal regulations and the City of Madras treated Hemp just like marijuana. Due to the change in regulations and some recent local interest in CBD processing, staff has begun working with the City's Land Use Attorney to develop independent regulations for CBD.

It was brought to staff's attention by Janet Brown (EDCO) on February 20, 2019 that there was a possible recruitment for a CBD processing operation and some challenges were identified at that time. Thereafter, a work session was scheduled with the Planning Commission where some regulations were discussed conceptually (whether they wanted to regulate hemp operations and how). The Planning Commission affirmed that they did want to allow processing in the Industrial area and generally consider it in the commercial areas but there was more work to be done on that.

After the Planning Commission meeting, one of the local businesses who has a fairly significant involvement/interest in the CBD processing industry suggested that Planning Commissioner Joe Krenowicz and Community Development Director Snead visit a hemp processing facility in Woodburn, Oregon, one of the largest hemp facilities in the state.

Mr. Snead communicated that he was told that the owner of that facility had been impacted by cancer, received benefits from CBD oil and then decided to process it. They grow 1,500 acres of hemp, process it and sell retail product. The visit to Woodburn will provide staff with practical understanding of all components of the business and operations of CBD growing and processing. The Planning Commission has scheduled a public hearing for May 1, 2019 to consider specific amendments to the development code. Rather expeditiously, staff will bring it to Council for consideration as well to try to meet the needs of several business interests in the community. Staff is hoping to develop some reasonable regulations that are practical and address any issues learn at the upcoming site visit.

Councilor Holcomb asked if the timeframe Director Snead presented is realistic for the person who is interested in bringing the business here.

Community Development Director Snead replied that staff is being as responsive as possible. Their response to Janet Brown and the interested business owner has been that even though the City doesn't have the regulations in place specific to CBD right now, if the business owner wants to fill out the application so staff can show that there is an application, that would get things going and would be helpful. City Attorney Grosstek has stated that the City of Madras is one of only about 5 or 6 cities in the State that are developing these regulations right now. A former OSU agricultural professor who believes that the Madras area is supremely suited to grow hemp spoke at the farm fair this year and told people he was leaving OSU to grow hemp in Jefferson County. That may be why we're seeing some elevated interest here.

Councilor Brick asked if hemp was legal federally with regard to banking deposit limitation issues.

City Attorney Dale replied that he wasn't sure. He had not researched the banking issue specifically. He knows that the farm bill had extensive language directing the USDA to approve and adopt regulations concerning the State's programs and he thought there may have been some financial-related directives as well.

Councilor Brick stated that he read that the 45th parallel is the prime location on the planet to grow Hemp and that in three years, hemp will be the largest crop in Oregon.

Community Development Director Snead added that he had a conversation with someone in the industry who went to the bank to set up an account for his hemp business and the bank said they couldn't do it. So, there's a lot of different industries that have some changing and updating to do.

EDCO Manager Brown approached council to clarify that if the processing is for just hemp (no THC), and if the businesses meet the other requirements, EDCO can offer the enterprise zone.

Councilor Holcomb asked if the irrigation district provided input yet.

City Administrator Burril replied that North Unit Irrigation issued a statement. There are already a couple of farms on irrigated land (one in Terrebonne and one in Tumalo).

Councilor Brick added that this seems like an opportunity we need to explore vigorously so we understand the pluses and minuses.

Community Development Director Snead responded that we need to determine what the appropriate and reasonable regulations should be, such as odor control, etc. Is hemp any different than other industrial sites that generate odors, whether appreciated or not.

X. Contract Review Board

Mayor Ladeby opened the Public Contract Review Board Meeting at 8:20 p.m.

A. Construction Services Contract – DSL Construction for Spray Park Project

1) Staff Report

Public Works Director Hurd provided background on the bid process.

2) Comments From the Public

There were no comments from the public.

3) Council Deliberations (Questions, and/or Comments)

Councilor Walker asked where DSL Construction was located.

Public Works Director Hurd responded that they are in Salem; however, their main superintendent lives in Sisters.

Councilor Holcomb asked if a local bidder is only \$1,000.00 higher in a bid, but it would support our local economy, do we always go cheaper.

Public Works Director Hurd replied, that you can't do that in a public bid and in this case, the other bidders didn't fill out their bids correctly.

4) Council Takes Formal Action

MOTION WAS MADE BY COUNCILOR BRICK AND SECONDED BY COUNCILOR EMBANKS TO APPROVE THE CONSTRUCTION SERVICES CONTRACT FOR DSL CONSTRUCTION FOR THE MADRAS SPRAY PARK PROJECT IN THE AMOUNT OF \$322,195.00 AND ADDITIONALLY AUTHORIZE THE PUBLIC WORKS DIRECTOR TO EXECUTE CHANGE ORDERS NOT TO EXCEED A TOTAL PROJECT AMOUNT OF \$550,000.00. MOTION PASSED UNANIMOUSLY, 6/0.

The hearing was closed at 8:23 p.m.

XI. Resolution No. 04-2019

A resolution of the City of Madras adopting consultant recommendations for updating wastewater System Development Charge methodology and implementing an SDC rate for wastewater.

Public Works Director Hurd provided background on the how the changes for these system development charges came to pass. One of the changes is in how they assess hotels and apartments. Overall, there was a reduction in fees.

Mayor Ladeby asked for comments from the public.

There were no comments offered.

MOTION WAS MADE BY COUNCILOR WALKER AND SECONDED BY COUNCILOR CANGA THAT COUNCIL APPROVE RESOLUTION NO. 04-2019. MOTION PASSED UNANIMOUSLY, 6/0.

XII. Letter of Intent – High Desert Home Improvement, Strawberry Heights Phase 4

City Administrator Burril reminded Council that this item was brought before them at the February 12, 2019 meeting, but the letter was not available in their packet for them to review at that time. High Desert Homes is interested in developing single-family homes in Strawberry Heights Phase 4. There is infrastructure that is 95% installed but not accepted by the City yet, so there are some minor improvements left to complete then we'll accept the streets in there. This developer has asked for clarification on what the City will support if they file for subdivision application. The letter before Council is not binding, but it outlines what staff has taken from the Housing Action Plan and ask for clarification in what staff will support in the draft findings going to the Planning Commission. Within the Letter of Intent there is a cost-share for the last portion of 10th Street, support of building approximately 36 single-family dwellings, whether the City will adopt code around accessory dwelling units (this developer would like to attach accessory dwelling units to the single-family dwellings). Staff would like to recommend to the Planning Commission that we not build the small park within the subdivision since we have the large Hoffman Park adjacent to Strawberry Heights. High Desert Homes would grant access through the subdivision to Hoffman Park.

The public would get to comment on the decision at a Planning Commission hearing and then a final decision would be drafted.

Councilor Walker asked if the City owned the property.

City Administrator Burril stated that the City does not own the property.

MOTION WAS MADE BY COUNCILOR HOLCOMB AND SECONDED BY COUNCILOR EMBANKS THAT CITY COUNCIL APPROVE THE LETTER OF INTENT FOR STRAWBERRY HEIGHTS PHASE 4 DEVELOPMENT BY HIGH DESERT HOME IMPROVEMENT, LLC SUBJECT TO ANY REVISIONS NECESSARY BY THE CITY ATTORNEY AND/OR CITY ADMINISTRATOR TO FINALIZE. MOTION PASSED UNANIMOUSLY, 6/0.

XIII. H.A. McCoy Engineering Civil Engineering Contract

Public Works Director Hurd explained that this is a contract for as-needed/day-to-day civil engineering services.

MOTION WAS MADE BY COUNCILOR EMBANKS AND SECONDED BY COUNCILOR PIZA THAT COUNCIL APPROVE THE WASTEWATER ENGINEER PROFESSIONAL SERVICES CONTRACT BETWEEN THE CITY OF MADRAS AND H.A. MCCOY ENGINEERING. MOTION PASSED UNANIMOUSLY, 6/0.

XIV. High Speed Internet Update

Public Works Director Hurd explained that every year staff contacts Century Link and Bend Broadband requesting a status report on what they're doing with regard to internet, what their plans are for upgrading, etc. Century Link stated they had only completed one of the two projects they had slated for 2018, but they still had plans to improve internet service.

Councilor Brick asked Public Works Director Hurd to get some details on their customer service levels. He had an issue with Bend Broadband that took seven phone calls and one and a half hours to take care of. That was two and a half weeks ago, and they still haven't called him back. He would like to know what their service quality measurements are and how they compare to industry standards.

Councilor Canga asked if representatives from these companies could come to a council meeting so they could have dialogue with them.

Public Works Director Hurd stated that he would invite them.

Councilor Walker stated he felt we need more bandwidth.

Community Development Director Snead stated that the County Administrator stated that the National Association of Counties is very concerned about broadband in rural areas and recently had a meeting with the FCC and let them know about some of the challenges they're having. They recently developed an app called "Test It" where users can test their broadband speed wherever the user is at.

Councilor Holcomb stated that she has also had some issues recently with Century Link. Her service was terrible so she called them, and they stated to her that they updated service 18 months ago but they wait for customers to call and complain before we let them know.

XV. Additional Comments, Announcements, and Department Reports

- Community Development Director Snead reported that staff is working on issuing a bunch of public hearing notices for development code amendments and for the airport urban growth boundary expansion zoning and annexation development code amendments for which the City received the order from the Department of Land Conservation and Development that we can move forward with our public hearings.

After coordinating with the City Attorney, we have a public hearing on May 28th for that work with a goal of the annexation being approved by Ordinance by June 30, 2019.

- Public Works Director Hurd thanked the Council for attending the Tomi City dinner last night – it was probably the best turnout ever. He then shared some photos from their visit. Due to the snowy weather, the students did a lot of sledding and playing in the snow. Once the weather cleared a little, they visited the alpaca farm in Terrebonne, Smith Rock, Madras High School, Norton cattle ranch, and Central Oregon Seed.
- Police Chief Stanfill updated the Council on the work with 509-J and the cameras they have at the schools. They are now connected with real time view. They will monitor those continually to ensure they don't have any time lapses.

Mayor Ladeby asked about the cameras at the Skate Park.

Chief Stanfill replied that he is working with Day Wireless on all the cameras around town. Some of the cameras are "fogged up" right now, but they're getting fixed. Just having the cameras there are a deterrent.

- City Administrator Burril reminded Council about the Westside campus meeting. There is a meeting with regard to Fire EMS that he'll be attending on Thursday to go review the matrix, so a community meeting can be scheduled and the team can move forward with the next steps.
- Councilor Holcomb asked about the status of the temporary cell tower at the fairgrounds.

Community Development Director Snead responded that he just received permits for the installation of a new permanent tower at the fairgrounds. He also spoke with Fairgrounds Manager Brian Crow and was told that the temporary will come down when the new one is installed.

Mayor Ladeby thanked the Police Department and Public Works for all their hard work during the snow. One of the concerns brought to his attention was students walking on the north side of "B" street on their way to school because snow was in the way.

Secondly, is there a date that will work for everyone for a Council planning session? Would Council be open to a Saturday or Sunday? After general discussion by the council, it was decided to hold the council workshop on Saturday, April 6, 2019 1:00 – 5:00 pm. Sara will let everyone know the logistics once they are finalized.

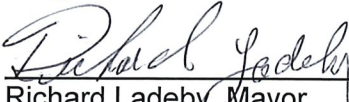
XVI. Adjourn

The meeting was adjourned at 8:58 p.m.

Minutes prepared and submitted by:



Lysa Vattimo, City Recorder



Richard Ladeby, Mayor