

**AGENDA
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
NOVEMBER 1, 2010
6:00 P.M.**

- I. Call to Order**
- II. Prayer and Pledge of Allegiance**
- III. Approval of Minutes, October 18, 2010**
- IV. Presentation of Petitions/Public Comments**
- V. Mayor's Report and Presentation**
 - Proclamation by the Mayor – "Keep Salem Beautiful – America Recycles Day" November 15th
- VI. City Council Action**
 - 1. Bid Award – West Main Street Curb Repairs
 - 2. Consideration of Sale of Trees on City Property
 - 3. TIF Agreement – The Gathering Place/Carmen Donoho-White, 217 W. Main St
 - 4. Swim Team Request for Use of Pool on 6/05/2011 for Summer Sprint Triathlon
 - 5. Second Reading – Ordinance Re-Zoning Lots 17, 18, & 19, Block 4, Porter Place from Residential (RS-2) Classification to Commercial (B-6)
 - 6. Resignation of Police Commissioner Mike Malan
- VII. City Manager Report**
- VIII. City Attorney Report**
- IX. City Council Report**
- X. Adjournment**

Thomas F. Christie,
City Manager

**MINUTES
CITY OF SALEM
REGULAR CITY COUNCIL MEETING
NOVEMBER 1, 2010
6:00 P.M.**

- I. CALL TO ORDER**

The Salem City Council met in regular session on November 1, 2010, at the hour of 6:00 p.m. in the Council Chambers of Salem City Hall. The meeting was called to order by Mayor Leonard Ferguson.

Council Members present upon roll call:

 - Councilman Kip Meador
 - Councilman Steve Huddlestun
 - Councilman David Black
 - Councilman Tom Carr
 - Mayor Leonard E. Ferguson

Others Present:

 - City Manager Thomas F. Christie
 - City Attorney Michael R. Jones
 - City Clerk Jane Marshall
 - Finance Director Marilyn Shook
 - Public Works Director John Pruden
 - Recreation Director Sherry Daniels
 - Chief of Police Ron Campo
 - Code Enforcement Officer Brad Crow
 - Assistant to the City Manager Bev West
 - Library Director Kim Keller
 - Economic Development Director Tracey McDaneld
 - Media: Salem Times Commoner, WJBD Radio, Centralia Sentinel; Marion County Observer and USSonet
 - Several Members of the public

Absent:

 - DOEM Director Terry Mulvany
- II. PRAYER AND PLEDGE OF ALLEGIANCE**

Opening prayer led by Councilman Carr, followed by the Pledge of Allegiance to the Flag.
- III. APROVAL OF MINUTES – October 18, 2010**

Minutes of Regular City Council Meeting of October 18, 2010 were presented for review.

Councilman Black moved and Councilman Huddlestun seconded the motion to approve the minutes of the Regular Council Meeting of October 18, 2010 as written and waive the reading. Roll call vote. AYES: Councilmen Carr, Meador, Huddlestun, and Black. NAYS: None. Motion declared carried.

IV. **PRESENTATION OF PETITIONS AND PUBLIC COMMENTS** – None.

V. **MAYOR’S REPORT AND PRESENTATIONS**

1. Mayor Ferguson reported that he along with Councilman Huddlestun & Kae, City Manager Christie and Jill Combs attended the PKC Luncheon on Friday for the young people and they received complimentary comments by the CEO of the Association highly praising the hospitality they received from the people of Salem.
2. **A Proclamation by the Mayor – “Keep Salem Beautiful – America Recycles Day”** November 15th was read by Mayor Ferguson, followed by a photo opt with the Mayor and Keep Salem Beautiful members. Keep Salem Beautiful President reported that in connection with America Recycles Day, there will be a shredder truck available on November 13th for residential document shredding .

VI. **CITY COUNCIL ACTION**

1. Bid Award – West Main Street Curb Repairs

Bids were solicited for repair of damaged sidewalk and curbs in 300 block of West Main Street in front of Marion County Savings Bank and three bids were received. The City’s consultant, Rhutasel & Associates recommends acceptance of the low bid from Shores Builders in the amount of \$6,624.50. The bid was less than the consultant’s estimate and the City Manager recommended approval. **Councilman Black moved and Councilman Meador seconded the motion to accept the low bid in the amount of \$6,624.50 from Shores Builders for sidewalk and curb repairs on West Main Street. Roll call vote. AYES: Councilmen Meador, Huddlestun, Black and Carr. NAYS: None. Motion declared carried.**

2. Consideration of Sale of Trees on City Property

Proposals were received from two local companies for harvest and sale of selected walnut trees on City property adjacent to the reservoir. As Public Works Director Pruden has determined that the two companies are reputable and can supply the required evidence of liability and worker’s compensation insurance, the City Manager recommended waiving the bidding process. Council indicated they have no problem with waiving the bidding process. Public Works Director Pruden commented there are 55 trees in the Nature Trail that have been marked. He further reported that both companies are local, licensed timber dealers. Proposals were received from GM Timber Co. for \$15,800 and from Carpenter Logging for \$18,200.00, less 4% timber tax. Following brief discussion, **Councilman Black moved and Councilman Carr seconded the motion to waive the bidding process for harvest and sale of selected walnut trees adjacent to the reservoir and to accept the highest bid offered in the amount of \$18,200.00 less 4% timber tax. Roll call vote. AYES: Councilmen Huddlestun, Black, Carr, and Meador. NAYS: None. Motion declared carried.**

3. TIF Agreement – The Gathering Place/Carmen Donoho-White, 217 W. Main St

City Manager Christie indicated this agenda item was carried over from previous Council Meeting – Mrs. White is requesting city assistance through TIF #3 to rehabilitate and remodel the basement of the old library building for private dining and catering business. He commented she is requesting an amount not to exceed \$13,150.00 to provide needed assistance to meet code compliance and at the last meeting the Council asked that this move forward. He indicated that Director McDaniel and he believes that the project, if Council chooses to approve it, does meet the intended purpose of TIF and the expenditures would be TIF eligible. Mrs. White was present for comments.

Councilman Carr argued for approving the grant request in the amount of \$13,150.00, indicating Council has approved a grant request to Chapman’s and they should not change the rules now.

Councilman Black argued that he did not vote for the grant for Chapman’s because he does not believe that it is in the best interest to the City to give grants alone, most grants in the past have been given in combination with a low interest loans. He contended that if the City continues to give out grants, there will not be any funds left to help other businesses with low-interest loans or grants.

Economic Development Director McDanel commented that Ms. White has run into ADA issues with the restrooms on the lower level and has received estimates to comply with ADA in the amount of \$16,000. She asked Council to add the \$16,000 cost into the total project cost, along with an approximate \$5,000 labor expense, bringing the total project costs up to around \$69,000. She is leaving her TIF request the same amount of \$13,150.00 for eligible expenses, which would be about 19% instead of a 50% grant.

After lengthy discussion, Councilman Black commented he doesn’t mind that the grant be a 1/3 grant along with a low-interest loan, still question whether that is right, but he would go along with it.

Mayor Ferguson expressed regret that Ms. White has to go through this, explaining that he and Council does wish to work with her with her new business. **(Mayor Ferguson commented - even without no work history, no past business, he would certainly work with the aspect of some type of a loan, because she has some other expenses there, a loan plus a portion of a grant, but a downright grant at this time, he doesn’t think it is in our best interest.)* However he explained his concern that should Council approve her grant request this time, we can expect a lot of requests for remodeling

projects. ~~*He does not believe that grants are in the best interest of the city.~~ He indicated he would consider a grant in combination with a low-interest loan.

Ms. White commented that she is requesting a grant and she believes that it is in compliance with the TIF guidelines. She indicated that she understood that should her business close, she would have to pay back any grant monies that she received from the City so she would be working it out in that respect.

Ms. White asked how she should re-submit her request. Councilman Black indicated that of the \$13,150.00 she is requesting, 1/3 of it should be grant and the balance a low interest loan. Councilman Meador indicated he would not be opposed to including the ADA compliant restrooms.

Councilman Meador indicated the difference between Chapman's building and this project is that it is visible to people driving down the street, it improves the aesthetics of downtown; and this project is secluded in a new business. He agreed with Councilman Black on a grant in conjunction with a low-interest loan.

Mayor Ferguson indicated the request would come before the loan committee for consideration.

Councilman Huddlestun, indicated he agreed with Councilman Meador that the Chapman building was a façade.

Following discussion with Mrs. White, Councilman Black asked Mrs. Shook if she had reviewed the additional information that Mrs. White provided regarding her business? Before Shook had a chance to respond, Councilman Carr said, "I don't think Marilyn wants to talk about that., is there a conflict of interest?" Black asked Carr what he meant. Carr commented that Shook rents to a restaurant and it would be in competition. Black disagreed that there would be any competition with what Mrs. White will be doing. Carr indicated that Mrs. Shook's renter does catering and there is a conflict.

Mayor Ferguson called for Order.

City Manager Christie commented it appears that there are not enough votes here to provide a grant and he suggested Council allow Ms. White to re-evaluate her request and if Council appears to be receptive to a loan, she may wish to ask for a larger loan. Mayor Ferguson agreed with City Manager's comments.

Councilman Carr moved to approve the request for a TIF grant in the amount of \$13,500.00. Motion failed for a lack of a second.

City Manager Christie indicated that Council has no formal loan and grant application procedures, suggesting if council wants to develop a formal procedure for grants and loans, he would be willing to put it together. Councilman Black suggested this be discussed at the next Council Meeting. Following additional discussion, Mrs. White left in frustration.

Councilman Black commented to Councilman Carr that he owes Mrs. Shook an apology because he was questioning her ethics. Councilman Carr responded that he does not owe Mrs. Shook an apology.

4. Swim Team Request for Use of Pool on 6/05/2011 for Summer Sprint Triathlon

A request was received from the swim team for use of the pool for the swim portion of their Salem Summer Sprint Triathlon on June 5, 2010 from 7:30 a.m. to noon. Recreation Director Daniels advised that the hours the pool is being requested would not affect open swim or party slots. She also advised that staffing costs would be \$200.00 for 4.5 hours. **Councilman Carr moved and Councilman Huddlestun seconded the motion to approve the use of the pool on June 5, 2011 from 7:30 to noon by the Swim Team for the swim portion of the Summer Sprint Triathlon for a fee of \$200.00. Roll call vote. AYES: Councilmen Black, Carr, Meador, and Huddlestun. NAYS: None. Motion declared carried.**

5. Ordinance 2010-12 - Second Reading – Ordinance Re-Zoning Lots 17, 18, & 19, Block 4, Porter Place from Residential (RS-2) Classification to Commercial (B-6)

An ordinance re-zoning lots 17, 18, and 19, in Block 4 of Porter Place from Residential (RS2) classification to Commercial (B-6) was presented for second reading. Kasey Hess, owner and Jeanne Dunahee, potential owner/operator petitioned the Planning Commission, and Planning Commission reviewed and forwarded recommendation that the zoning be amended as petitioned. **Councilman Black moved and Councilman Huddlestun seconded the motion to approve Ordinance 2010-12, an ordinance re-zoning lots 17, 18, and 19 in Block 4 of Porter Place from Residential RS-2 to Commercial B-6. Roll call vote. AYES: Councilmen Carr, Meador, Huddlestun, and Black. NAYS: None. Motion declared carried.**

6. Resignation of Police Commissioner Mike Malan

A letter was received from Mike Malan advising of his resignation from the Board of Police Commissioners effective as of the receipt of his letter (October 20, 2010).

Councilman Black moved and Councilman Carr seconded the motion to approve the resignation of Mike Malan from the Board of Police Commissioners effective October 20, 2010. Roll call vote. AYES: Councilmen Meador, Huddlestun, Black, and Carr. NAYS: None. Motion declared carried.

VII. CITY MANAGER REPORT

- City Manager Christie reported he also received complimentary remarks from the PKC participants that they received one of the warmest welcomes they have ever had. He also complimented Councilman Huddlestun & Kae for all the work they put in to the PKC events.
- He reported that most recent financial reports show our sales tax to be on budget.
- He suggested that a water and sewer rate study be done by a professional (Curry & Assoc.) No objections were heard from Council.

VIII. CITY ATTORNEY REPORT - None

IX. CITY COUNCIL REPORT

Councilman Carr – commented he and Margaret enjoyed handing out candy with Mayor Ferguson & Carol for the Halloween Trick-or-treat downtown on Friday the 29th.

Councilman Meador

- Complimented Dave & Mary Dial and Steve & Kae Huddlestun for their work with the PKC event.
- Questioned zoning issue with resident wishing to put up a carport on his property. He was advised to have the person contact Public Works Director Pruden regarding regulations and applying for variance.

Councilman Huddlestun

- Commented that the PKC event was great and the highest compliment was received when three persons were asking about housing in Salem.
- Mrs. Huddlestun's mother, with the help of her assistant, made a coon quilt and donated it for the auction – they were pleased that it brought a total amount of \$1,150.00. (Proceeds of the auction were for the PKC youth scholarships fund.)

Councilman Black

- Recognized Councilman Huddlestun & Kae's work with the PKC event
- Councilman Black again stated that Councilman Carr should apologize to Finance Director Shook for questioning her integrity and ethics.

Other

Mayor Ferguson indicated that our sales tax revenues are up, and thanked all the organizations that have held different events that have brought people to our community.

City Clerk Marshall commented that Jill Combs, secretary for the Salem Tourism Board, spent a lot of hours working with the PKC event.

2010 End-of-Season Report on Family Aquatic Center

Recreation Director Daniels reviewed her written 2010 End-of-Season Report for the Salem Family Aquatic Center showing total revenues for 2010 season being \$212,178.22 with total expenses being \$190,260.26 for a net income for 2010 of \$21,917.96. The extended season (8/15 thru 9/6, 8 days) showed total revenues of \$8,427, total expenses \$11,088, for a net loss of \$2,661.00.

Mayor Ferguson and Councilman Meador suggested that the pool should be kept open again next year for the extended period. Mayor Ferguson also suggested that there should be a meeting soon to review the pool operations and make plans for next season. City Manager Christie indicated there is a need for a work session, indicating the concessions and maintenance need to be looked.

X. ADJOURNMENT

There being no further business for discussion at 7:24 p.m., Councilman Carr moved and Councilman Meador seconded the motion to adjourn. Roll call vote. AYES: Councilmen Carr, Meador, Huddlestun, and Black. NAYS: None. Motion declared carried.

Jane Marshall, CMC
City Clerk

Approved by City Council on November 15, 2010 as amended.