



**CITY COUNCIL MEETING MINUTES ~ APPROVED
JANUARY 13, 2011 AT 7:00 PM**

City Hall ~ 82877 Spruce St., Westlake, OR

1. CALL TO ORDER

Mayor Eric Hauptman called the meeting of the Dunes City Council to order at 7:02 pm.

2. ROLL CALL

Roll Call was taken by Fred Hilden, City Recorder.

Present: Mayor Eric Hauptman, Council President Peter Howison, Councilor Richard Koehler, Councilor Jamie Mills, Councilor Rebecca Ruede, and Councilor Troy Sathe.

Absent: Councilor Susie Navetta (excused).

Also Present: City Recorder, Fred Hilden, City Planner, Lisa Ekelund, Administrative Assistant, Haley Nelson, and 30 individuals.

3. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

4. APPROVAL OF THE AGENDA

Councilor Sathe made the motion to approve the Agenda. The motion was seconded by Councilor Ruede. The motion passed by unanimous vote.

5. CONSENT AGENDA

- City Council meeting minutes from 12/09/2010.
- Bills of the session through 01/06/2011.
- Receipts of the session through 01/06/2011.

Councilor Sathe made the motion to approve the consent agenda except he would like the Bills of the Session removed for later review. Councilor Mills seconded the motion. The motion passed by unanimous vote.

6. ANNOUNCEMENTS / CORRESPONDENCE

Mayor Hauptman announced the following:

- January and February artist of the month is Kathryn Damon-Dawson.

- Volunteers are still needed for one Communications and Education Committee, one Parks and Recreation Commission, and three Revenue Committee positions.
- Belated Birthday wishes to Duke Wells who also celebrated his Birthday in December.
- C.E.R.T training classes will be held on 01/14/2011 from 6:30 pm to 9:00 pm, 01/15/2011 from 8:00 am to 4:00 pm, 01/21/1011 from 6:30 pm to 9:00 pm, 01/22/2011 from 8:00 am to 4:00 pm.
- There will be a “Great Shake Out” drill 01/26/2011 at 10:00 am.
- Mayor Hauptman was sworn in earlier this afternoon.

7. MAYOR'S REPORT

Mayor Hauptman read the following report:

"In November 2007, I was appointed Mayor of Dunes City. It is not a position that I sought or really wanted. There was no office staff as they had bolted a few weeks earlier due to the incredibly hostile political environment that existed in the City. Two Mayors had resigned within a year and our Code of Ordinances hadn't been collated in over 12 years. I obviously had a lot to learn, with no one around to ask that wouldn't have a political bias.

I learned that Dunes City was extremely unique. Unlike other cities that became cities because of a concentration of population or for economic advancement, Dunes City became a city to stop the federal government from turning this area into a National Recreation Area. The founders of Dunes City had as their intent, a move to block the government from taking over their properties. Because of this, I don't think that anyone took Dunes City as a city very serious. From what I could find, it seems that the City just kind of free floated in space for over 10 years. Dating back to the mid seventies, I began to find some of the meeting minutes. Over the years, it was not unusual that the city operated with less than a full council. Staff seemed to come and go. I understand that in the late nineties that 2 to 3 councilors would typically win as write in candidates with less than 50 votes. Many counselors served for only as long as it took them to promote their own self-interests and then resigned or quit showing up to council meetings.

I realized that for Dunes City to survive, it needed to operate as a real city, first, to develop the continuity of institutional memory. Secondly, I felt we needed to overcome the political acrimony that had continued to keep the city as a dysfunctional and failing operation. Thirdly, and probably most important was that the city be operated on a level field of play. I was amazed at the attitude of the residents of this city that if you wanted to get anything done you had better have a friend on the council or in the Mayor's office. I was reminded of the Novel Animal Farm and the statement made by the head pig, "Of course all animals are created equal, but some animals are more equal than others." Dunes City appeared to have a class of individuals, councilors and friends of councilors that were definitely more equal than the rest of us.

I believe Dunes City has come a long way in the last few years. We now have an excellent, hard working and caring staff. The staff is led by Recorder Fred Hilden and Planning Secretary Lisa Ekelund and with the newer additions of Selena Carter and Haley Nelson, we now have in place competent and committed people that can effectively run this city. We also have a new council, with only Richard Koehler and myself having served longer than 2 years.

This council has its work cut out for itself. It will be responsible for correcting and rewriting the Dunes City Code of Ordinances. That will mean a lot of special meetings and work sessions. Additionally, this council will be charged with keeping this city economically viable in probably the worst fiscal environment since the great depression. This council will be charged with maintaining fairness and equality in the treatment of the citizens of Dunes City.

This new council could prove to be the very best council ever in the history of Dunes City or it could be the very last council in Dunes City.

8. COMMITTEE / COMMISSION REPORTS

- Councilor Navetta did not provide a report for the Community Center and Police.
- Councilor Navetta did not provide a report for the Communication and Education Committee.
- Councilor Howison presented a verbal report for the Conservation Committee.
- Councilor Howison stated that there was no report for the Ordinance Review Committee.
- Councilor Ruede presented a verbal report for the Parks and Recreation Commission.
- Councilor Sathe presented a verbal Road Chairman report.
- Road Secretary, Selena Carter provided the draft minutes of the 12/20/2010 Road Commission meeting.
- Councilor Mills presented a verbal report for the Site Review Committee.
- Councilor Mills presented a verbal report for the Revenue Committee.
- Councilor Koehler presented a verbal report for the Water Quality Committee.
- Lisa Ekelund presented a written report for the Planning Department.
- Lisa Ekelund provided the draft minutes of the 12/16/2010 Planning Commission meeting.
- Fred Hilden presented a written Emergency Services Report to City Council, which was received from Don Hayes.
- Fred Hilden presented a written City Recorder report.

Mayor Hauptman said they would now discuss the Bills of the Session.

Councilor Sathe said he was very disturbed by David Allen [of Macpherson, Gintner and Diaz] sending them all of these emails after the City was no longer using his services and then David Allen billing for those emails. Councilor Sathe said the only bill he believes to be pertinent is the one that the Mayor mentioned in his email. Councilor Sathe said he believes for this months Bills of the Session the City should only pay to the Gintner firm \$150.

Mayor Hauptman said the Councilors all received the email and this has been frustrating for himself and for Fred Hilden because when he (the Mayor) would send an email for the last four months, they (the Mayor and Fred Hilden) would ask for clarification on what is going on and the response has been nothing but malarkey but yet the City was billed for nothing that was useable.

Councilor Mills said, as she understood in those emails, this billing covered about three to four months worth of work.

Fred Hilden said the billing covered November and December.

Councilor Mills asked if Fred Hilden does not believe that the work was done according to what is being billed.

Fred Hilden said he believes the work was done, he believes the time was spent, there is no doubt in his mind about this but early on in September and in October, both the Mayor and himself were leaning on David Allen very hard always in writing about giving us an interpretation on the matters that were forthcoming from the LUBA suit and the Circuit Court suit that we had and David kept putting it off on the new City Attorney. Fred said the Council saw some of this in David's email. Fred said David basically would not provide any interpretation of the LUBA decision for either the remand or the Circuit Court decision. Fred said he would not interpret them and to this day, he still has not. Fred said he received his bill, he believes it accounts fairly for the hours that David spent working on our stuff, do I believe we got value for the money spent? No.

Councilor Mills said her concern is that the City did not pay the City Attorney several years ago, the City is gaining a reputation for not paying its bills, and she does not think this is a good reputation for the City to have. Councilor Mills said if David Allen did the work, he is entitled to be paid whether or not we actually liked what he did, this is why we are looking to another attorney. Councilor Mills said she believes the bill should be paid in full.

Councilor Ruede questioned the recourse of not paying the bill and she is in favor of paying the bill in full.

Councilor Koehler said this is not a big issue regarding money in so far as to being up to our contract to him even though he was not serving us well, paying the bill is still something the City should do.

Councilor Koehler moved to accept the Bills of the Session for 12/4/2010 to 1/6/2011. The motion was seconded by Councilor Ruede. The motion passed by a vote of 4 ayes and 1 nay (Councilor Sathe).

9. UNFINISHED / OLD BUSINESS - None Scheduled

10. NEW BUSINESS

- Presentation to retiring Council Members.

Mayor Hauptman presented a plaque to Councilor Howison in appreciation of his hard work and service.

Councilor Howison accepted the plaque and stated that it has been a privilege to serve the people of Dunes City. Councilor Howison said he has served for 10 years and he is proud to live here. Councilor Howison wished the new Councilors good luck and if anyone needs him to give him a call.

- Swearing in and Seating of Newly Elected Council Members.

Richard Koehler, Dick Anderson, Duke Wells, and Troy Sathe were sworn into office by Fred

Hilden.

Mayor Hauptman called for a three-minute recess at 7:42 pm.

Mayor Hauptman reconvened the meeting at 7:49 pm.

- Nomination and Appointment of Council President.

Mayor Hauptman proposed that the Council elect Councilor Ruede as Council President.

Councilor Sathe made the motion to appoint Councilor Ruede as Council President. Councilor Wells seconded the motion. The motion passed by unanimous vote.

- Appointment of Commission and Committee Chairs.

Mayor Hauptman proposed that Councilor Koehler would Chair the Parks and Recreation Commission.

Councilor Sathe made the motion to appoint Councilor Koehler to Chair the Parks and Recreation Commission. Councilor Mills seconded the motion. The motion passed by unanimous vote.

Mayor Hauptman proposed that Councilor Sathe would Chair the Road Commission.

Councilor Mills moved to accept the appointment of Councilor Troy Sathe as Chairman of the Road Commission. Councilor Ruede seconded the motion. The motion passed by unanimous vote.

Councilor Mills questioned why they could not approve all of the appointments at once.

Mayor Hauptman proposed the following:

- Communication and Education Committee would be chaired by Councilor Ruede.
- Conservation Committee would be chaired by Councilor Anderson.
- Ordinance Review Committee would be chaired by Councilor Mills.
- Revenue Committee would be chaired by Councilor Ruede.
- Site Review Committee would be chaired by Councilor Wells.
- Water Quality Committee would be chaired by Councilor Mills.
- City Hall / Community Center would be chaired by Councilor Wells.
- Police Commissioner and Fire Commissioner are held in abeyance.

Councilor Mills moved to accept the Chairman for the various Committees and Commissions as recommended by the Mayor. The motion was seconded by Councilor Ruede. The motion passed by unanimous vote.

- Commission and Committee Appointments.

Mayor Hauptman said the Planning Commission has two openings with the terms ending on 12/31/2013 and the applicants are Darlene Beckman, David Bellemore, George Burke, and Norman Martin.

Councilor Koehler made the motion to appoint David Bellemore to the Planning Commission with the term ending 12/31/2013. Councilor Sathe seconded the motion.

David Bellemore ~ 83548 Salal St. ~ Dunes City

Councilor Koehler asked David Bellemore what David feels is a challenge for the City in the next few years regarding the Planning Commission and how David can best enable some of those challenges moving forward.

David Bellemore said there are a lot of challenges and trying to prioritize them might be difficult. David said the one that jumps to mind is our land use ordinances as we have found in the last couple of years, we have had some courts tell us that they are not clear enough and not precise enough. David said one of the biggest challenges that is facing the Planning Commission and the Council is to try to fix that, to try to make the ordinances clear enough so that it is easy for the Planning Commissioners to make sure that they are following them and if they are not followed, it makes it easy for judges to enforce them. David said part of the problem he believes that are in the ordinances is that there are too many wishy washy terms such as "as far as practical," this term has absolutely no use in a court of law. David said one principle of law is that it has to be clearly defined and it has to be forbidden or it is legal so you can't use phrases like "as much as practical" because they simply have no value. David said one of the biggest challenges is going to be clarifying our land use ordinances. David said this is tough because he himself is not a lawyer, he doesn't know how to write ordinances and it makes himself uncomfortable when he has to do it, it is something he would rather have the professionals write the ordinances under our guidance to meet our goals.

Councilor Sathe said he was shocked when he read the Planning Commission report and the statement David Bellemore made regarding the David Jackson hearing and how David Bellemore thought if someone had millions of dollars of money available, the City should fine them more. Councilor Sathe requested clarification on David Bellemore's statement.

David Bellemore said this happens to be an issue that he is particularly interested in. David said his academic training was as a biologist and several years ago when he got involved in all of this, he did a lot of research about a lot of things. David said one of the things he ran across was the near universal agreement among hydrologists and biologists who study lakes, rivers, and shoreland issues about the necessity to preserve the quality of the lake or river, you try to keep the shorelands as undisturbed as possible. David said the problem he sees is that in trying to enforce the shoreland ordinance, which requires that the shoreland remain essentially undisturbed, it has been ignored too much, the City is not enforcing it, and even when the City does enforce it, the fines are so trivial as to have no effect to detour non-compliance of the ordinance. David said he would like to see the consequences of knowingly violating the shoreland ordinance be severe enough to make people think twice and to be an example to others because in the last Council session in December, the City had a violation case and he (David) thought the fine was trivial. David said there is no enforcement

at all, the City cannot throw anybody in jail, the City needs some way to get people who would like to just ignore the laws to obey them whether they agree with the law or not. David said if you don't like a law, you don't break it, you come into the City and try to convince the City to change the law.

Mayor Hauptman said in the past, the ordinances have not been uniformly enforced and sometimes it is cheaper to say you are sorry than to get a permit in the first place. The Mayor said he believes David Bellemore is frustrated with this, it has been a problem in the City for a long time and it cannot continue.

Councilor Koehler asked David Bellemore if he knew why the Planning Commission endorsed him.

David Bellemore said he did not know why the Planning Commission did this and he was not comfortable with this.

Councilor Sathe said he would have to abstain from the vote because he is David Bellemore's neighbor.

The motion made by Councilor Koehler and seconded by Councilor Sathe to appoint David Bellemore to the Planning Commission with the term ending 12/31/2013 failed by vote of 1 aye 4 nays (Councilor Wells, Councilor Ruede, Councilor Mills, and Councilor Anderson), and 1 abstain (Councilor Sathe)

Fred Hilden requested the following roll call vote:

**Councilor Wellsnay
Councilor Satheabstain
Councilor Koehleraye
Councilor Ruedenay
Councilor Millsnay
Councilor Andersonnay**

Councilor Mills said she would like to nominate George Burke and because he is not here to answer questions this evening, she would also like to nominate Norman Martin who is here to answer questions.

Councilor Mills made the motion to nominate Norman Martin to the Planning Commission with the term ending 12/31/2013. Councilor Sathe seconded the motion.

Norman Martin ~ 83750 Rio Dr. ~ Dunes City

Councilor Sathe asked Mr. Martin what his qualifications are for the Planning Commission.

Norman Martin said he has volunteered for the City for many years. Norman said he follows the results of the Planning Commission closely, he agrees with some of them and he disagrees with some of them. Norman said one he disagrees with is that he would never say that rich people should pay more than other ordinary people of the general population have to pay for fining certain things

that are wrong. Norman said he is very much for the rights of the citizens and their land rights. Norman said he has followed the CCI process in this Council for over a year until it became so ridiculous the way it was set up that he had to refuse to go any more. Norman said land use rights would be in his mind to make sure they were carried out properly. Norman said one of the reasons the City has been in such financial straits is because of the prior City Council making bad decisions. Norman said he would be very much be aware that when something came up to the Planning Commission or Council in which the land use rights of the people were being trodden on, he would be against it. Norman said in these law cases in which the city has to go to lawyers to try to figure it out, he has read the cases in the different courts and what the results were by the different courts, he agrees with them and he has been fully aware of those particular court cases and he had a good feel for this type of thing if he were to make a Planning Commission decision. Norman said he would follow what the courts would say.

Mayor Hauptman said the Planning Commission would be involved at rewriting a lot of the land use ordinances because they were not well written. The Mayor asked Norman Martin if he could work with other members of the Planning Commission who may not agree with Norman.

Norman Martin said he cannot do anything about it. Norman said it is a democratic committee and he will vote the way he feels is correct.

Mayor Hauptman said he would have preferred to hear from Norman Martin that he would vote the way the ordinance is written as opposed to how he feels.

Norman Martin said he agrees that the code needs to be followed.

Mayor Hauptman asked Norman Martin if he has the mindset as it is easy to criticize but it is difficult to build.

Norman Martin said a lot of what he said that is negative is because the ordinances are badly written. Norman said he would take notice of this and help to get around this. Norman said what has been brought up in all those court cases is that the ordinances are not clear and objective.

The motion made by Councilor Mills and seconded by Councilor Sathe to nominate Norman Martin to the Planning Commission with the term ending 12/31/2013 passed by vote of 5 ayes and 1 nay (Councilor Koehler).

Councilor Koehler requested the following roll call vote:

Councilor Wellsaye
Councilor Satheaye
Councilor Koehlernay
Councilor Ruedeaye
Councilor Millsaye
Councilor Andersonaye

Councilor Ruede asked if Darlene Beckman Would like to come up and address the Council and

Darlene Beckman said yes.

Darlene Beckman ~ 82150 Booth Island ~ Westlake

Darlene said she would be happy to answer any questions and she thanked the Council for stepping into their positions.

Mayor Hauptman said he believes Darlene Beckman to be competent for this position. The Mayor asked if Darlene Beckman could put in every other week because of the undertaking they are facing.

Darlene Beckman said she was aware of this when she applied. Darlene said the ordinances need to be simplified and reworked. Darlene said all four applicants understand this and they are all willing to make this commitment. Darlene said she would be willing to donate this time.

Councilor Anderson said Darlene Beckman has been very active in the community and he was wondering if she were not selected for this Commission, would Darlene be willing to work with another Committee or Commission.

Darlene Beckman said she would be willing to work on a different Committee or Commission.

Councilor Koehler said in the regards to bias or conflicts of interest, Darlene is a large landowner, she owns a corporation and also is fairly interested in Planning from that perspective. Councilor Koehler asked how this would effect Darlene Beckman's decisions on the Commission.

Darlene said she doesn't think it should effect her decisions but she would be more interested in why it would perhaps be a problem for her to be somebody who owns property or a large chunk of property in Dunes City. Darlene said who is more interested in making it fair and making it good for the citizens than those folks who truly own property, those folks who want to protect the city, and those folks who want to protect the land and the people. Darlene said she finds it odd that Councilor Koehler might think that this is a negative.

Councilor Koehler said he would like to correct Darlene Beckman's interpretation of his impression is that when one owns a lot, there is a lot that can be gained by changing ordinances because of the volume of your ownership and to confuse a single property owner with a large property owner, there is something to be said about that because in the past, he is a senior member of the council here so in essence he has been around more than anybody and he just wanted to get an impression on how Darlene's decisions would hinge on her advancement.

Darlene said if the decision involved any property that she or her husband owns, she would recuse herself. Darlene said everyone deserves equal treatment on property rights. Darlene said there are rules and regulations that need to be protected and she believes that personal property rights are important. Darlene said she is unbiased regarding this. Darlene said it is just ethical to step down if it regards something she is personally involved with and to allow the rest of the Planning Commission to make the decision.

Councilor Sathe made the motion to nominate George Burke to the Planning Commission with

the term ending 12/31/2013. Councilor Mills seconded the motion. The motion passed by unanimous vote.

Mayor Hauptman said the Road Commission has four openings with three terms ending in 2013 and one term ending in 2012 and the applicants are Henry Leach, Mike Smith, Ron Tucker, and Bill Harris.

Councilor Sathe made the motion to appoint Bill Harris for the 2-year term to the Road Commission with the term ending 2012. Councilor Mills seconded the motion. The motion passed by unanimous vote.

Councilor Anderson said the cut off has not been consistent and there may have been people who would have applied for the Road Commission had they known they could.

Councilor Sathe made the motion to appoint Henry (Hank Leach) to the Road Commission with the term ending 2013. Councilor Koehler seconded the motion. The motion passed by unanimous vote.

Councilor Sathe made the motion to appoint Mike Smith to the Road Commission with the term ending 2013. Councilor Mills seconded the motion. The motion passed by unanimous vote.

Councilor Sathe made the motion to appoint Ron Tucker to the Road Commission with the term ending 2013. Councilor Ruede seconded the motion. The motion passed by unanimous vote.

Mayor Hauptman said the Communications and Education Committee has one opening with the term ending in 2013 and the City has not received any applications. Mayor Hauptman asked if there was anybody present who is interested and no one spoke.

Mayor Hauptman said the Budget Committee has three openings with the terms ending in 2013 and the applicants are Darlene Beckman, Jackie Crave, Maurice Sanders, and Allen Stark.

Councilor Mills made the motion to appoint Darlene Beckman to the Budget Committee with the term ending in 2013. Councilor Ruede seconded the motion. The motion passed by unanimous vote.

Councilor Sathe made the motion to appoint Maurice Sanders to the Budget Committee with the term ending in 2013. Councilor Ruede seconded the motion.

Councilor Koehler asked how Maurice Sanders feels he can serve two cities at once.

Maurice Sanders said he declined the Revenue Committee because there are grants and while working for Florence it would be a conflict of interest. Maurice said he felt he could volunteer on this committee because there would not be a conflict of interest.

Councilor Koehler said it is confusing to him because a couple of years ago Maurice Sanders presented the possibility of providing a service as a representative of Florence.

Mayor Hauptman said he requested that Mr. Sanders give a presentation on what it would take to have an operating Police Department in this City and the likelihood of the City of Florence in providing police services is slim to none.

Maurice Sanders said the Mayor is correct.

Councilor Anderson said we are extremely fortunate to have a man of this caliber apply for this job.

The motion made by Councilor Sathe and seconded by Councilor Ruede to appoint Maurice Sanders to the Budget Committee with the term ending in 2013 passed by unanimous vote.

Councilor Sathe asked if Jackie Crave or Allen Stark is present and no one spoke.

Councilor Ruede made the motion to appoint Jackie Crave to the Budget Committee with the term ending in 2013. Councilor Mills seconded the motion. The motion passed by unanimous vote.

Mayor Hauptman said the Conservation Committee has three openings with two terms ending in 2013 and one term ending in 2012 and the applicants are Peter Howison, David Jackson, Judy (Julia) Johnson, Ronelle Kuert, and Elizabeth Purtell.

Councilor Anderson made the motion to appoint David Jackson, Judy Johnson, and Ronelle Kuert to serve on the Conservation Committee. The motion died for lack of a second.

Councilor Koehler made the motion to nominate someone who has been advantageous to the City in the past and who has held the ground on conservation and the dedication that we need on things that aren't based on just property but long lasting planning and he nominates Peter Howison to the Conservation Committee with the term ending in 2013. Councilor Sathe seconded the motion. The motion failed by vote of 2 ayes and 4 nays (Councilor Anderson, Councilor Mills, Councilor Ruede, and Councilor Wells).

Mayor Hauptman requested a roll call vote, which was as follows:

**Councilor Wellsnay
Councilor Satheaye
Councilor Koehleraye
Councilor Ruedenay
Councilor Millsnay
Councilor Andersonnay**

Councilor Anderson made the motion to appoint David Jackson to the Conservation Committee with the term ending in 2013. Councilor Mills seconded the motion.

Councilor Koehler said he finds this rather amusing in a way that only last month they had this same person violate a major portion of the riparian area and to allow, even though Councilor Anderson has said that maybe his attendance will return to a re-education above what it takes to live in the lakefront communities, he (Councilor Koehler) finds it disadvantageous to have Mr. Jackson on, not only for that but for the fact that he doesn't necessarily show up to the meetings and his attendance is quite poor so it's a best judgment from his (Councilor Koehler's) side that David Jackson wait a while, maybe apply later, maybe he has to study more about the Conservation Committee and its rules.

Councilor Mills said she would like to point out that Mr. Jackson did not do the violation although as the property owner, he was held responsible for it, it was done by a contractor who was not legally licensed with a Dunes City license. Councilor Mills said Mr. Jackson was fined and Mr. Jackson has paid that fine. Councilor Mills said secondly, she does not see where Mr. Jackson has been gone any longer and will be out of town any longer than Peter was when he was flying back and forth to Ohio. Councilor Mills said she believes the attendance will be handled just fine. Councilor Mills said she respects Mr. Jackson, she respects his professionalism, and she respects his eye towards justice and equal treatment.

The motion made by Councilor Anderson and seconded by Councilor Mills to appoint David Jackson to the Conservation Committee with the term ending in 2013 passed by a vote of 4 ayes, 1 nay (Councilor Koehler) and 1 abstain (Councilor Ruede).

Councilor Sathe made the motion to appoint Judy (Julia) Johnson to the Conservation Committee with the term ending in 2013. Councilor Koehler seconded the motion.

Judy Johnson ~ 82824 Ocean Blvd ~ Westlake

Councilor Sathe said he is impressed with Judy Johnson's reports and asked Judy to go into this in detail.

Judy Johnson said she agrees with David Bellemore that the biggest problems are the unclear ordinances. Judy said the Council should make sure the ordinances are understandable so people can follow them. Judy said all she wants to do is preserve the quality of life here in Dunes City, she is a servant and she would be happy to serve the City.

Councilor Anderson said he believes Judy Johnson has the experience to perform these duties.

The motion made by Councilor Sathe and seconded by Councilor Koehler to appoint Judy (Julia) Johnson to the Conservation Committee with the term ending in 2013 passed by unanimous vote.

Councilor Anderson made the motion to appoint Ronelle Kuert to the Conservation Committee with the term ending in 2012. The motion was seconded by Councilor Mills.

Councilor Koehler said he is not sure about this applicant being that she is not here so he does not have a clear idea of what her intentions are on this committee.

Mayor Hauptman said Liz Purtell is also not present at the meeting.

Councilor Koehler said he has a question because Ronelle Kuert is new and Liz Purtell has served on the Conservation Committee for at least a couple of years and has been active in the City in the past.

The vote on the motion made by Councilor Anderson and seconded by Councilor Mills to appoint Ronelle Kuert to the Conservation Committee with the term ending in 2012 was inaudible. Mayor Hauptman requested a roll call vote and the motion passed by the following vote:

**Councilor Wellsaye
Councilor Sathenay
Councilor Koehlernay
Councilor Ruedeaye
Councilor Millsaye
Councilor Andersonaye**

Mayor Hauptman said the Parks and Recreation Commission has one opening with the term ending in 2013 and the City has not received any applications.

Mayor Hauptman said the Revenue Committee has three openings with one term ending in 2013 and two terms ending in 2011 and the City has not received any applications.

Mayor Hauptman said the Site Review Committee has three openings with two terms ending in 2013 and one term ending in 2012 and the applicants are David Dumas, Milton Farrand, Ken Platt, and Carlton Smith.

Councilor Wells made the motion to appoint David Dumas to the Site Review Committee with the term ending in 2013, to appoint Milton Farrand to the Site Review Committee with the term ending in 2013 and to appoint Ken Platt to the Site Review Committee with the term ending in 2012. The motion was seconded by Councilor Sathe. The motion passed by unanimous vote.

Mayor Hauptman said the Water Quality Committee has three openings with two terms ending in 2013 and one term ending in 2011 and the applicants are Mark Chandler, Ronelle Kuert, and Carlton Smith.

Councilor Mills made the motion to appoint Mark Chandler to the Water Quality Committee with the term ending in 2013, to appoint Carlton Smith to the Water Quality Committee with the term ending in 2013, and to appoint Ronelle Kuert to the Water Quality Committee with the term ending in 2011. Councilor Sathe seconded the motion. The motion passed by unanimous vote.

- Council Orientation and Training (select date).

The Council decided to set a start time of 5:00 pm on a Wednesday in January for the Council

orientation and training. Fred Hilden said he would set the specific day and notify the Council.

- Building Official, Inspector, and Plan Review Services Agreement.

Councilor Ruede moved to accept The Building Department LLC as the City representative for Building Official, Plan Review and Building Inspection services beginning 02/01/2011. Councilor Mills seconded the motion. The motion passed by a vote of 5 ayes and 1 nay (Councilor Koehler).

- Ordinance No. 209 Titled *An Ordinance Adding Provisions to Chapter 32 of the Dunes City Code by Establishing an Ordinance Review Committee and Other Matters Properly Relating Thereto.*

Councilor Koehler moved that this be tabled until 02/10/2011 after they study it thoroughly. The motion was seconded by Councilor Sathe. The motion passed by unanimous vote.

11. Citizen Input

Paul Floto ~ 83236 Clear Lake Rd. ~ Dunes City

Paul Floto read the following into the record:

"I would like to welcome the newly elected city councilors to what could be the last city council to hold office before Dunes City is declared insolvent.

On July 1, 2007, Dunes City had a beginning cash balance of \$703,679. The current budget projects that as of June 30, 2011, Dunes City will have a cash balance of \$245,357 for a total cash decrease of \$458,322, or an average cash loss of \$114,580 per year. This would indicate Dunes City won't be broke for 2 more years, but the real situation is much worse than that.

Most of Dunes City's cash is restricted to specific purposes. The cash available for general operations declined from \$161,899 on July 1, 2007, to \$30,000 on June 30, 2010, for a decrease of \$131,899 in three years, or an average loss of \$43,966 per year. If the loss continues at that rate, Dunes City will be broke before the end of this fiscal year.

The current budget appears to be a sham, as it projects significant revenue increases from fees on new buildings that are not likely to be build, income from fines that are unlikely to be collected, and school development fees on new construction that the city has no right to retain. Dunes City is trying to balance its budget on citizens "fined" under its recently enacted septic and business licenses, but it may have no way to legally collect those fines without a city court system according to Chapter V, Section 21 of the Dunes City Charter. When small towns in the Southeastern United States raised significant revenues from speed traps, at least they had local law enforcement to write the tickets, and a local judge to levy the fines, but Dunes City has neither of these. Dunes City has increased its future potential legal exposure through a poorly written business tax, and significantly increased its operating costs by increasing total compensation to employees by over 43% in the past 3 years. As long as new construction is in a slump, Dunes City must immediately reduce its

personnel expenditures to avoid bankruptcy. The city council should review income for the first six months of the current year, and should publicly report its actual financial performance on the city website."

David Bellemore ~ 83548 Salal St. ~ Dunes City

David Bellemore said he would like to speak about the shoreland area. David said he would like to point out that although you can delegate authority, you cannot delegate responsibility and it is in our ordinance that the person who has responsibility over the shoreland area is the property owner. David said Mr. Jackson cannot place the blame on the contractor who did the work. David said that because Mr. Jackson gave the contractor the authority, Mr. Jackson has the responsibility. David said he was going to use his three minutes to try to plea that people obey the shoreland ordinance and take care of the shoreland because it seems lately there has been a lot of violations going on but it horrifies him (David Bellemore) that the Council would take someone who 30 days ago was fined for violating the shoreland ordinance, and 30 days later put that person on the Conservation Committee which is the Council's eyes and ears out in the riparian areas. David questioned if the Council knows what that looks like. David said although the Council has the authority to do this because it is not forbidden in the ordinance or the City Charter, what does it look like. David said it seems real obvious to himself and everyone else that it looks like the Council just put the fox in charge of the hen house.

Alan Montgomery ~ 83615 Clear Lake Rd. ~ Dunes City

Alan Montgomery said he just wanted to introduce himself to the new Council. Alan gave a brief history of his development application. Alan said he would love to see his application move forward and if anybody has any questions, they could get together and work on this. Alan said if there were something wrong with it, he would love to hear about it. Alan said he would like to get moving on this and to get something done. Alan said the new homes being built would help the City financially. Alan said if there are any questions, or anything, just start working on this please.

Mayor Hauptman asked Alan Montgomery if he would be open to have the City Engineers come in and have a sit down.

Alan Montgomery said he would be open to sitting down with the City Engineers.

Norman Martin ~ 83750 Rio Dr. ~ Dunes City

Norman Martin asked if the Mayor started the clock and the Mayor said he did. Norman said the Mayor started the clock before he was finished providing his name and address.

Mayor Hauptman said there was 15 seconds left on Alan Montgomery's time. Mayor Hauptman asked Norman Martin to not give him a hard time.

Norman Martin responded to the Mayor asking the Mayor to not give him a hard time.

Mayor Hauptman adjourned the meeting at 9:21 pm. The Mayor said he is tired of Norman Martin threatening the Council.

Councilor Sathe said he wanted to speak about some things under Unscheduled Items.

Mayor Hauptman recalled the meeting to order for Councilor Sathe's unscheduled items at 9:22 pm

12. UNSCHEDULED ITEMS NOT LISTED ON THE AGENDA

Councilor Sathe said he would like to discuss the septic ordinance and water compliance fees during next month's meeting.

Councilor Koehler said he would care not to see septic on the agenda but he could see the water compliance.

Councilor Wells said in his campaign for this seat on the Council, he spoke to hundreds of people who thought the septic ordinance went way too far and he would like it in discussion on next month's Agenda. Councilor Wells said he would like to see as an action item on the Montgomery View Estates application brought onto the agenda and to see if we can get something Ok'd there.

Mayor Hauptman said there is a process regarding the Montgomery View Estates application. The Mayor stated to Alan Montgomery that he believes the City needs something in writing.

13. ADJOURNMENT

There being no further business to come before the City Council, Councilor Ruede made the motion to adjourn the meeting and Councilor Koehler seconded the motion. The motion passed by unanimous vote.

The meeting of the Dunes City Council adjourned at 9:25 pm.

The proceedings of the Dunes City Council meeting were recorded on tape, and are on file at Dunes City Hall. Upon approval by the City Council, these minutes will be available at Dunes City Hall and online at www.dunescity.com

APPROVED BY THE DUNES CITY COUNCIL ON THE 10th DAY OF FEBRUARY, 2011.

[Signed copy available at City Hall]

Eric Hauptman, Mayor

ATTEST:

[Signed copy available at City Hall]

Fred Hilden, City Recorder

JANUARY 2011

MAYOR'S REPORT

In November 2007, I was appointed Mayor of Dunes City. It is not a position that I sought or really wanted. There was no office staff as they had bolted a few weeks earlier due to the incredibly hostile political environment that existed in the City. Two Mayors had resigned within a year and our Code of Ordinances hadn't been collated in over 12 years. I obviously had a lot to learn, with no one around to ask that wouldn't have a political bias.

I learned that Dunes City was extremely unique. Unlike other cities that became cities because of a concentration of population or for economic advancement, Dunes City became a city to stop the federal government from turning this area into a National Recreation Area. The founders of Dune City had as their intent, a move to block the government from taking over their properties. Because of this I don't think that anyone took Dunes City as a city very serious. From what I could find it seems that the City just kind of free floated in space for over 10 years. Dating back to the mid seventies I began to find some of the meeting minutes. Over the years it was not unusual that the city operated with less than a full counsel. Staff seemed to come and go. I understand that in the late nineties that 2 to 3 councilors would typically win as write in candidates with less than 50 votes. Many counselors served for only as long as it took them to promote their own self interests and then resigned or quit showing up to council meetings.

I realized that for Dunes City to survive it needed to operate as a real city, first, to develop the continuity of institutional memory. Secondly, I felt we needed to overcome the political acrimony that had continued to keep the city as a dysfunctional and failing operation. Thirdly, and probably most important was that the city be operated on a level field of play. I was amazed at the attitude of the residents of this city that if you wanted to get anything done you had better have a friend on the counsel or in the Mayor's office. I was reminded of the Novel Animal Farm and the statement made by the head pig, "Of course all animals are created equal, but some animal are more equal than others." Dunes City appeared to have a class of individuals, counselors and friends of counselors that were definitely more equal than the rest of us.

I believe Dunes City has come a long way in the last few years. We now have an excellent, hard working and caring staff. The staff is led by Recorder Fred Hilden and Planning Secretary Lisa Ekelund and with the newer additions of Selena Carter and Hayley Nelson we now have in place competent and committed people that can effectively run this city. We also have a new council, with only Richard Koehler and myself having served longer than 2 years.

This council has its work cut out for itself. It will be responsible for correcting and rewriting the Dunes City Code of Ordinances. That will mean a lot of special meetings and work sessions. Additionally, this council will be charged with keeping this city economically viable in probably the worst fiscal environment since the great depression. This council will be charged with maintaining fairness and equality in the treatment of the citizens of Dunes City.

This new council could prove to be the very best council ever in the history of Dunes City or it could be the very last council in Dunes City.

City Planner Report to City Council
January 13, 2011 ~ Prepared by Lisa Ekelund

In the Month of December, Dunes City issued 7 permits. The total permit issuance for the year is 143. The average monthly permit issuance for the year is 11.91, which is a 188% increase compared with 2009.

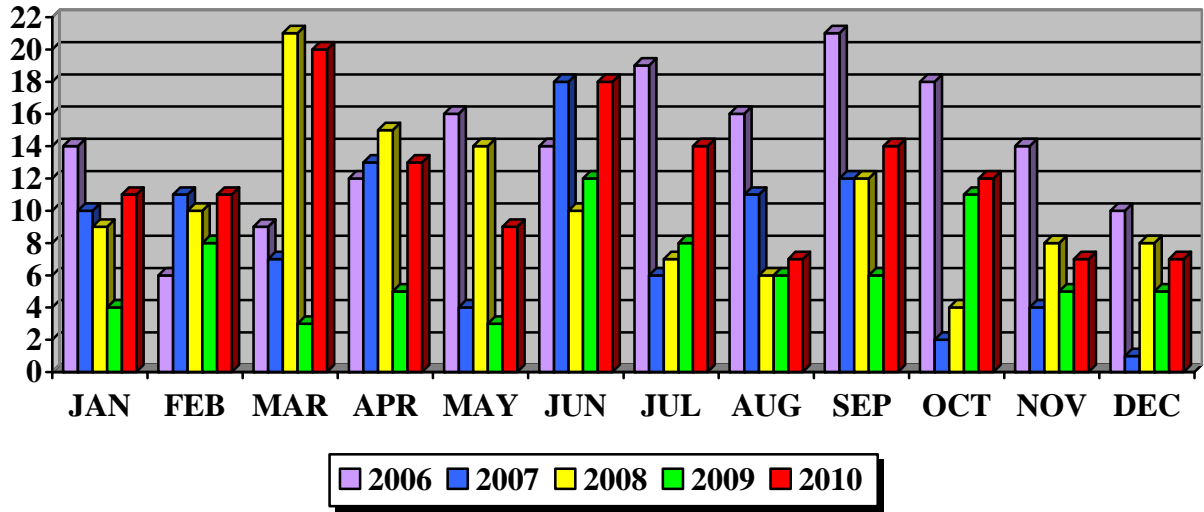
Last month, the Planning Commission held their meeting on December 16th, 2010. During this meeting, Commissioner Miller made a motion, seconded by Ken Platt that the Planning Commission recommends to Council that they reappoint Commissioner Bellemore because of his inherent value to the position. This motion passed by a vote of 4 ayes, 0 nays, and 1 abstain (Commissioner Bellemore). The Commission also voted to send a memo to the Conservation Committee complementing them on their [1 year] follow up along with their follow up report on the Clough property [vegetation removal permit]. This motion was made by Commissioner Bellemore and seconded by Commissioner Miller and it passed by unanimous vote.

The next scheduled meeting of the Planning Commission is January 27, 2011 at 5:00 pm.

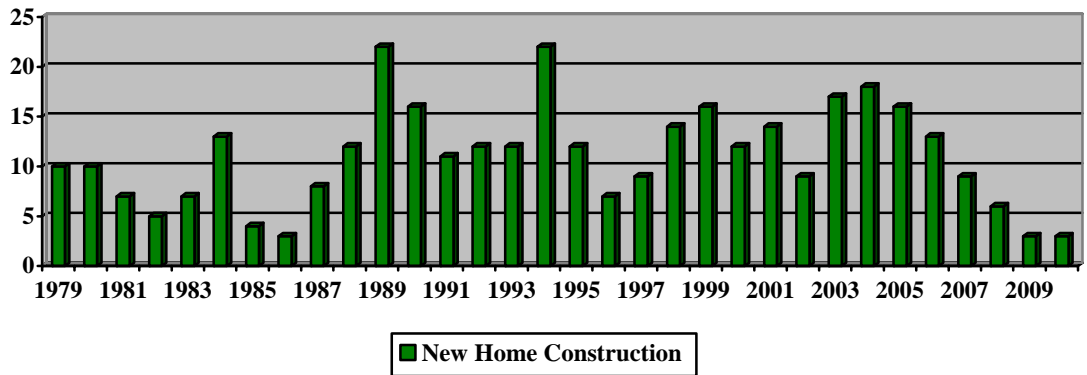
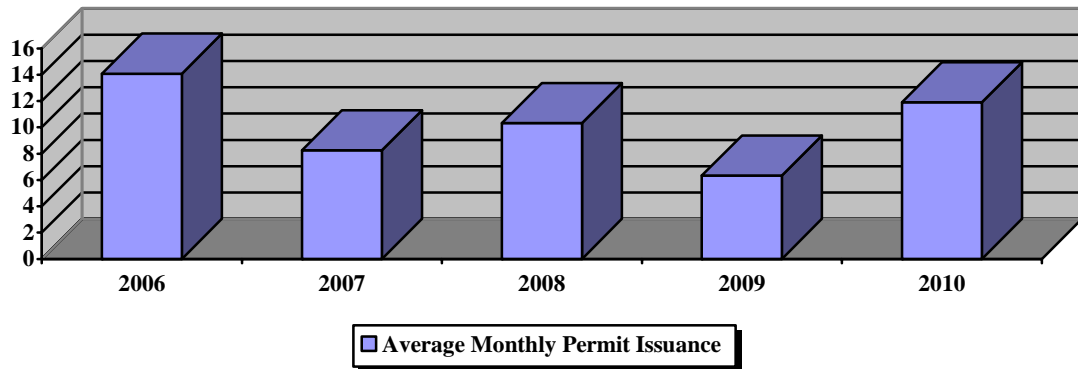
Respectfully submitted,

Lisa Ekelund
City Planner

Continued on page 2



Total Monthly Permit Issuance



Emergency Services Report to City Council
January 13, 2010 ~ Prepared by Don Hayes

Dunes City held its first citizens survival awareness class in October, and the turn out was very encouraging with nearly 50 people coming to the class. This is the first in a series of three classes to be held at City Hall. Other classes will focus on “Survival of the Individual and Others in the Neighborhood” and “How to Take Stock of Your Surroundings.” We have all heard the buzz word “Shelter in Place,” but what this means is a guess for many people. How about a class on that subject?

As approved by City Council, I have become a member of the Oregon Emergency Management Group and will be attending many training sessions and group meetings. We managed to become a member without paying the \$100 fee for the year 2010. We will need to pay the annual fee beginning in 2011.

The 2011 “Great Oregon Shake Out” earthquake drill will be at 10:00 am on January 26, 2011. The drill will be the largest preparedness event in Oregon history. I recommend that Dunes City participate in this event although Lane County is still undecided if they will take part.

There will be a GMRS and Emergency Operations Center (EOC) radio test in February, probably with the use of a back up generator. I will supply mine for testing. The January test was canceled. We need to expand, identify and document our “local” GMRS network of citizens to keep neighborhoods informed during a disaster when other communications (power, phones, TV, etc.) may be out of service.

We are getting a new/used base station at the Clear Lake Road Fire Station but the location has not been determined. It is important for us to be able to relay GMRS info up to City Hall and EOC Headquarters in Florence. The tsunami siren for Dunes City has been requested by Chief Buchanan but they have not been taken out of service yet in Hermiston.

A prominent local geologist has assessed that in the event of a tsunami, the dunes will most likely collapse into Siltcoos River creating a natural dam. This is a scenario that Dunes City should consider being prepared for.

Additionally, we need to start identifying shelter sites for survivors and what kind of supplies need to be stored in order to be more prepared for a natural disaster.

We also need to consider that the FEMA plan is to relocate or evacuate survivors rather than provide long term sheltering. If you are willing to take FEMA courses let me know and I will get everything started.

The occurrence of a natural disaster is not a question of will it happen, but rather, when will it happen. And the answer is YES, it could happen during your lifetime!

Happy New Year!
Your ESC, Don Hayes

City Recorder Report to City Council
February 10, 2011 ~ Prepared by Fred Hilden

January 2011 was largely consumed with quarter end reporting for both state and federal payroll, preparation of W2s/1099s and cleaning up vendor data in our QuickBooks accounting system. Final responses were prepared for the fiscal year 2009-2010 audit that will be presented by Sally Jaeggli, Hough Macadam and Wartnik, at the February 10, 2011 City Council meeting. All of the budget fund allocations were completed in the QuickBooks accounting system in preparation to finalize and the fiscal year 2010-2011 July – December Budget vs. Actual report that I will present at the February 10, 2011 City Council meeting.

Also during January, I began working with Jeffrey Young, First American Title Insurance Company's legal counsel assigned to work on the title policy of the now famous "playground lot." On Wednesday, February 4, 2011 I forwarded the latest correspondence to Jennifer Paugh, Lane County Public Works, copying the City Council and Road Commission. Jeffrey Young made it clear in a letter to T & K Lands' attorney that First American Title disputes any claim they have to Lot 700 and stands ready to defend their title policy. I will keep everyone apprised of our progress.

A substantial amount of staff time is being consumed receiving verbal and written request for information and complaints. Everyone needs to recognize that adequate compensation is never received by the City to offset these costs. While I strongly support all citizens' rights to file complaints, I think it is important to streamline this process to minimize the expense to the City.

As part of a public records request, I spent some time reviewing the septic database and noted several discrepancies. As a result of these discrepancies, no septic report was produced this month. During February a substantial amount of additional training will take place and we will attempt to clean-up all discrepancies.

Haley Nelson processed all water meter readings, seven business license applications and Selena Carter assisted her in sending out twenty septic packets.

Finally, Selena Carter made good progress continuing to organize Road Department files and meeting minutes audio tapes. She also assisted the City Recorder's office by organizing audio tapes.

Respectfully submitted,

Fred Hilden
City Recorder