



**CITY COUNCIL MEETING MINUTES ~ APPROVED  
FEBRUARY 10, 2011 AT 7:00 PM**

City Hall ~ 82877 Spruce St., Westlake, OR

These proceedings of the Dunes City Council were recorded on tape and are on file at Dunes City Hall. Upon approval by the City Council, these minutes will be available online at [www.DunesCity.com](http://www.DunesCity.com)

**1. CALL TO ORDER**

Mayor Eric Hauptman called the meeting of the Dunes City Council to order at 7:03 pm.

**2. ROLL CALL**

Roll Call was taken by Fred Hilden, City Recorder.

**Present:** Mayor Eric Hauptman, Council President Rebecca Ruede, Councilor Richard Anderson, Councilor Richard Koehler, Councilor Jamie Mills, Councilor Troy Sathe, and Councilor Duke Wells.

**Absent:** None.

**Also Present:** City Recorder Fred Hilden, City Planner Lisa Ekelund, Administrative Assistant Haley Nelson, Sally Jaeggli City Accountant with Hough, Mac-Adam, and Wartnik LLC., and 40 individuals.

**3. PLEDGE OF ALLEGIANCE**

All who were present stood for the Pledge of Allegiance.

**4. APPROVAL OF THE AGENDA**

**Councilor Koehler 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 01/13/2011.
- Bills of the session through 02/03/2011.
- Receipts of the session through 02/03/2011.

**Councilor Mills made the motion to pull the Bills of the Session off of the Consent Agenda and have the Bills considered any time after the presentation of the Budget vs. Actual. The motion was seconded by Councilor Sathe. The motion passed by unanimous vote.**

**Councilor Mills made the motion to approve the minutes of 1/13/2011 and the Receipts of the Session dated 02/03/2011. Councilor Anderson seconded the motion. The motion passed by unanimous vote.**

## **6. ANNOUNCEMENTS / CORRESPONDENCE**

Mayor Hauptman announced the following:

- The January and February artist of the month is Kathryn Damon-Dawson.
- Volunteers are still needed for one Parks and Recreation Commission position.
- February birthday wishes to Councilor Sathe and Administrative Assistant Haley Nelson.
- League of Oregon Cities (LOC) training for Council, Planning Commission, and Road Commission members is Wednesday, 03/16/2011 from 5:00 pm to 8:00 pm.
- A City Council Special Session is scheduled to conduct an Executive Session, called under ORS 192.660(2) (f) for the consideration of confidential records exempt from public disclosure AND called under ORS 192.660(2) (h), to consult with legal counsel regarding Montgomery litigation.

## **7. CITIZEN'S INPUT**

Ronald Mann ~ 89201 Sherwood Island Road ~ Florence, OR

Mr. Mann spoke in regards to non-conforming structures and uses. Mr. Mann said there are a variety of properties around Siltcoos and Woahink Lake that were constructed prior to the creation of the City. Mr. Mann said the word “may” in the code regarding the granting of a variance causes problems. Mr. Mann suggested the Council change the word “may” to “shall” so that discretion is removed.

Paul Floto ~ 83236 Clear Lake Road ~ Dunes City, OR

Mr. Floto said the Council has been ignoring the Charter. Mr. Floto said that over the years the Mayor has become a “de-facto” chief executive officer. Mr. Floto spoke in regards to the Council imposing fines from violation of the laws. Mr. Floto spoke in regards to whom the Budget Officer reports to.

Mary Jo Leach ~ 84284 Alder Drive ~ Dunes City, OR

Mrs. Leach said she would like to enter into the written record, a copy of a letter along with a written complaint and various other documents regarding a septic issue. Mrs. Leach said her husband had a conversation with Councilor Sathe regarding information Councilor Sathe obtained from the City. Mrs. Leach said the septic issue is a serious problem and they want the City to stop the flow that is occurring on their property. Mrs. Leach claimed that there has been no enforcement of the septic ordinance and compliance issues.

Jerry Curran ~ 5600 Shady Lane ~ Dunes City, OR

Mr. Curran spoke in regards Ordinance No. 203. Mr. Curran said many people worked hard on writing this ordinance. Mr. Curran said everyone wants a clean lake. Mr. Curran said the City needs to improve the ordinance so that it is enforceable and then they need to enforce it.

Renee McGuire ~ 83792 Cloud Nine Rd. ~ Dunes City, OR

Ms. McGuire said she is speaking on behalf of her mother in regards to Mr. David Bellemore. Ms. McGuire stated that Mr. Bellemore drove over a road going through her mother's property and Mr. Bellemore is not allowed to do so. Ms. McGuire said a complaint was filed and she would like follow-up on this complaint.

Susie Navetta ~ PO Box 2388 ~ Dunes City, OR

Ms. Navetta said the septic ordinance is very important. Ms. Navetta said Dunes City is a leader with the septic ordinance and the City does not need to go backwards. Ms. Navetta said many other cities are following the City's example and to go backwards would be a disgrace. Ms. Navetta said she is concerned the City is being derailed.

John Stead ~ 82505 South Cove Way ~ Dunes City, OR

Mr. Stead said he noticed there is discussion on the Agenda regarding Dunes City's water rights. Mr. Stead gave a history of the permits issued by the State. Mr. Stead said the Water Resources Department staff indicates that the lakes are for the use of human consumption. Mr. Stead said the City's water right is temporary and it should eventually turn into a certificate.

Mrs. Dumas spoke from the audience and said she would allow Mr. Stead her three minutes so that Mr. Stead may continue speaking.

Mr. Stead continued his statement regarding water rights. Mr. Stead said the City should get out of the water right business so individuals can obtain their individual water rights for domestic purposes.

Theresa Sathe ~ 83550 Clear Lake Road ~ Dunes City, OR

Mrs. Sathe stated that it was not her intention to get Mr. David Bellemore in trouble with his neighbor as indicated by the citizen input of Renee McGuire. Mrs. Sathe stated that she spoke to Ms. McGuire's mother indicating that it was nice that they allowed Mr. Bellemore the use of their access.

## 8. MAYOR'S REPORT

Mayor Hauptman read the following written report.

“Given that we have some new Councilors now sitting at the dais and of course it never hurts to remind the more seasoned Councilor, I would like to provide a few reminders of meeting and Councilor protocol and responsibilities. Firstly, please wait to be recognized by the Chair (that’s me) before speaking. Feel free to lean forward and raise your hand if you would like to speak. I choose Councilors to speak in the order that I recognize them by leaning forward with your hand raised. Councilors shall preserve order and decorum during Council meetings, and, shall not, by conversation or other action delay or interrupt the proceedings or refuse to obey the orders of the presiding officer.

Secondly, as Councilors, you have a responsibility to not use your position to prevent or impede the staff from doing their jobs. You as Councilors cannot influence the staff by threats or coercion. If your actions could be perceived as causing harm or damage to any citizen because of your interference with the staff you could be held **personally** liable in a tort action against the City. Please remember as Councilors, that our job is to be fair and impartial with any citizen of this community and guarantee the citizens of Dunes City a level playing field, regardless of personal relationships.”

## 9. COMMITTEE / COMMISSION REPORTS

The Council presented their Committee and/or Commission reports. For up to date meeting times and locations, please visit [www.dunescity.com/calendar](http://www.dunescity.com/calendar) or contact City Hall at 541-997-3338.

Staff presented their reports to the Council.

## 10. PUBLIC HEARING - None Scheduled.

## 11. UNFINISHED / OLD BUSINESS - None Scheduled.

## 12. NEW BUSINESS

- Presentation by Sally Jaeggli of Hough MacAdam and Wartnik: Fiscal Year 2009-2010 Audit.

Sally Jaeggli said she is pleased to say that for the second year in a row, the City has a clean opinion on the audit. Sally said this means the financial statements are in accordance with the standards and that they are stated fairly. Sally said internal controls are the way that they conduct business in government so that things are in order and completed with authorization. Sally said they noted a deficiency in the internal controls regarding bank reconciliations. Sally said this issue was corrected when the new City Recorder came onboard. Sally said on page 39 there are two items that were reported last year that have not changed and will probably not change. Sally said because the staff is so small it is difficult to segregate the

different duties. Sally said this would not be fixed until there is a larger staff. Sally said the process in auditing the books involves determining what areas are risky. Sally explained what she looks at in determining the risks. Sally said they test compliance with Oregon Budget Law with the grants and contracts, payroll law, public contracting law, and BOLI. Sally said on page 40 there is an independent auditor's comment. Sally said they did note a budget violation in materials and services in the building codes fund. Sally said if you know that you are going to exceed what you have appropriated in a line item and you have another area that has not overspent its budget, you are allowed a supplemental budget or resolution to correct this and this involves monitoring the budget a little more closely than what has occurred in past years. Sally continued to explain the organization of the audit report.

**Councilor Mills made the motion that that the Council amend the job description in the City Recorders contract to include a provision that the City Recorder provide a monthly financial report to the City Council including a comparison of actual expenditures to the current approved budget. The motion was seconded by Councilor Ruede. The motion passed by vote of 5 ayes and 1 abstain (Councilor Koehler).**

Mayor Hauptman called for a recess at 8:52 pm.

Mayor Hauptman reconvened the meeting at 9:08 pm.

- Presentation by Fred Hilden: FY 2010-2011, July-December Budget vs. Actual.

Fred Hilden extended his thanks to Sally Jaeggli for her hard work. Fred presented the FY 2010-2011 July-December Budget vs. Actual.

Haley Nelson provided documents to the citizens present so they could follow along with Fred Hilden's presentation.

Councilor Mills asked if the septic license fees are made up by the business license fees.

Fred Hilden said this is something that needs to be discussed but he needs to do some research prior to this discussion.

Councilor Koehler referenced the \$400 per year for the website and his services for the website have been free for the past four years and that money could go somewhere else.

Fred explained that the City has been receiving free internet services from Charter Internet. Fred said this is not going to continue and the City will be required to cover this service.

**Councilor Mills made the motion to approve the Bills of the Session. Councilor Anderson seconded the motion. The motion passed by unanimous vote.**

- Commission and Committee Appointments

**Councilor Ruede made the motion to appoint Cyndi Cullison to the Communication and Education Committee. Councilor Wells seconded the motion. The motion passed by a vote of 4 ayes, 1 nay (Councilor Koehler), and 1 abstain (Councilor Sathe).**

**Councilor Ruede made the motion to appoint David Bellemore, Ed Scarberry, and Paul Wilbanks to the Revenue Committee. Councilor Sathe seconded the motion. The motion passed by unanimous vote.**

- Request to Vacate a Portion of Buckskin Bob Road.

Mr. Tom Bassett and Rich Bailey of 5446 Buckskin Bob Road and Mr. Mason Davis and Mrs. Lorraine Davis of 5451 Buckskin Bob Road approached the Council.

Mr. Bassett explained the documents that were provided to the Council in regards to a request to vacate a portion of Buckskin Bob Road.

Councilor Ruede asked Councilor Sathe for the results of the Road Commission discussion.

Councilor Sathe said the Road Commission recommended this be brought before Council for their consensus prior to moving forward.

Mayor Hauptman said the next step would be to decide if they should move forward with a public hearing in March.

Councilor Mills said as City Councilors, they are responsible for protecting the City and this is giving away something of value. Councilor Mills stated that they are obliged as Council members to make sure the City is kept whole. Councilor Mills stated that if they are decreasing their assets then perhaps the City should be compensated.

Councilor Sathe said compensation would be decided in the public hearing.

Mr. Davis said there is adequate turnaround and it borders their drain field. Mr. Davis said by doing the vacation, that habitual turn around would remain.

Councilor Anderson said if the City keeps this, could they request that the road be brought up to standard.

Mayor Hauptman said he does not know if the State would allow a road to be placed in the wetland.

Councilor Sathe said that for “recreation” the city could improve the road.

**Councilor Sathe made the motion to have the public hearing on the vacation of the portion of Buckskin Bob at the next Council meeting in March. Councilor Sathe withdrew his motion.**

**Councilor Sathe made the motion that at the next available Council meeting we have a public hearing on the vacation of the portion of Buckskin Bob. Councilor Ruede seconded the motion. The motion passed by unanimous vote.**

- Ordinance No. 182 Changes.

Planning Chairman Lee Riechel approached the Council. Chairman Riechel said that as the City was creating Chapter 155, several versions were made. Chairman Riechel said what we are doing right now is to come up with the most accurate copy of 155 as compared to what went to DLCD.

Councilor Mills said the goal is to find which one was passed.

Judy Martin spoke from the audience and stated that she was the last one to do any typing on that ordinance and she has hand written notes that she can look for. Judy said it was given to her to by the Planning Commission. Judy said the version that passed was her copy and she doubts there were any substantial changes otherwise, DLCD would have requested another copy.

Mayor Hauptman said he would feel more comfortable if DLCD made the determination on whether or not the changes would cause them to require another copy.

Councilor Koehler asked if the changes were never sent to DLCD.

Chairman Riechel said he has no record of this. Chairman Riechel said during this time, the office fell apart and they have not found the document.

Councilor Mills said the two-page ordinance was there but the exhibit was nowhere to be found.

Chairman Riechel said they would come up with a baseline version. Chairman Riechel said once they get the baseline, they would collate all of the recommendations as provided by Larry Lewis (Planning Consultant), staff, etc., and begin having public involvement.

- Septic Ordinance No. 203.

Councilor Wells said he would like to present a document to Council for consideration.

**Councilor Wells made the motion to have this ordinance, which amends title 14 and repeals ordinance number 203 put on the March Agenda as an action item. The motion was seconded by Councilor Sathe. The motion passed by vote of 5 ayes and 1 nay (Councilor Koehler).**

- Water Rights Compliance Fee.

Councilor Sathe said this is a big concern amongst other people in the town. Councilor Sathe said \$150 may not seem like much but it is a selective tax. Councilor Sathe said he believes this should be rolled back to \$100.

**Councilor Sathe made the motion that this is an action item with the staff giving us a full presentation as to where we are. Councilor Sathe rescinded his motion.**

**Councilor Ruede made the motion that the water rights compliance fee and any materials associated with that is put on the Agenda next month as an action item. Councilor Sathe seconded the motion. The motion passed by unanimous vote.**

- City Website Maintenance.

Councilor Anderson said several people have approached him stating that Dunes City does not have a good reputation and this is hurting property sales. Councilor Anderson said he looks forward to having Councilor Ruede paint a picture of who we really are and what we stand for. Councilor Anderson said that every opportunity we get we need to talk about Dunes City and tell them what a lovely place this is. Councilor Anderson said we could do much better as far as promoting goodwill in the City through the website.

Councilor Koehler said throughout the Council meetings of the last four years he has always accepted ideas. Councilor Koehler said what the website is doing is basically providing an educational format as opposed to a commercial one like the "dot com" indicates.

Councilor Ruede said this would be an Agenda item for her Committee. Councilor Ruede commended Councilor Koehler for his job as webmaster.

Councilor Koehler asked what Councilor Ruede believes is missing in transparency.

Councilor Ruede said nothing is missing and they should continue keeping things transparent.

Councilor Wells suggested that the Council set a time quarterly where the citizens speak and the Council is quiet.

Fred Hilden said in meeting with Gary Baker (Road Consultant), Mr. Baker suggested he be allowed to facilitate something such like this.

Mayor Hauptman said the month of April would be a good month for this.



**Councilor Sathe made the motion that on 2/22/2011 we have a special schedule work session to go over expenditures of the City. Councilor Sathe amended his motion to remove 2/22/2011 and replace it with 3/7/2011. Councilor Sathe amended his motion to remove 3/7/2011 and replace it with Tuesday 3/8/2011. Councilor Mills seconded the motion. Councilor Sathe amended his motion to include the time of 5:00 pm. The motion passed by unanimous vote.**

- Ordinance No. 209 Revised Establishing an Ordinance Review Committee.

This item was postponed to the 3/8/2011 Special Session.

**13. UNSCHEDULED ITEMS NOT LISTED ON THE AGENDA - None.**

**14. EXECUTIVE SESSION - None.**

**15. ADJOURNMENT**

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

The meeting of the Dunes City Council adjourned at 11:01 pm.

**APPROVED BY THE DUNES CITY COUNCIL ON THE 10<sup>th</sup> DAY OF MARCH, 2011.**

[ Signed copy available at City Hall ]

Eric Hauptman, Mayor

ATTEST:

[ Signed copy available at City Hall ]

Fred Hilden, City Recorder

Communication & Education Committee  
Report to Council  
From Councilor Ruede  
February 10, 2011

The Committee will hold their first meeting of the year next week on Thursday February 17th at 3:30 pm here at City Hall.

The first newsletter will be published on or around April 30th. The theme will be Getting to Know You and will feature your elected officials. Who they are, what brought them to their position of service and what they like to do for fun.

July 31      What's Going On and On - This newsletter will feature articles about what's going on in the committees, as well as what's going on in the Dunes City Community.

October 31      Wrapping it UP - This final newsletter of the year will feature articles about what the Council has accomplished and what they will look forward to in the next year.

The committee will also focus on Website Improvements and look toward publishing other communication pieces as necessary to keep our government transparent and our Citizens informed.

Revenue Committee  
Report to Council  
From Councilor Ruede  
February 10, 2011

The Committee will hold their first meeting of the year two weeks from now on Thursday, February 24 at 3:30 pm here at City Hall.

The Agenda for the meeting will be to create a mission statement and set at least one goal to accomplish in 2011.

WATER QUALITY COMMITTEE REPORT  
FEBRUARY 10, 2011

The Water Quality Committee met at its regularly scheduled meeting time on January 19, 2011. The water testers reported that Secchi Disk readings at Woahink were up to 27 feet at the outlet and at 16 to 17 feet in the arms, meaning the water seemed very clear. Siltcoos Lake levels were too high to put the boat in at the ramp.

The Committee reviewed its organizational documents specifically as to powers and duties to refresh memories and inform new members. Discussion was had regarding a potential erosion problem where Little Woahink flows into Woahink Lake.

I investigated the allegation that Siltcoos Lake water rights had been sold to the Japanese and found the rumor to be unfounded.

The committee identified its goals for the coming year which include:

1. Finalize the Quality Assurance Project Plan (QAPP);
2. Prepare a laminated water tester's handbook that describes in detail how to do each test;
3. Review the harmful algae bloom protocol so we can be prepared for the next bloom;
4. Pursue and finalize the intergovernmental agreement(s);
5. Correct the issues with the Highway 101 corridor and Woahink Lake;
6. Correct issues with Canary Road runoff into Woahink Lake;
7. Get DNA testing results and, based on the findings, pursue changes to upstream septage application and/or animal feeding operations accordingly;
8. Continue monthly water testing on both lakes pursuant to the QAPP;
9. Develop a relationship with people who will be doing repairs on the railroad crossings on Siltcoos Lake;
10. Standardize/upgrade the software for entry of testing data.

The Committee asked me to prepare a Resolution to come before the City Council to recognize Ralph Farnsworth for his contributions to Dunes City over the years.

The Committee has also held two work sessions to finalize the QAPP document. It is anticipated that the QAPP will be presented to the Council for approval at its March regular meeting.

Also, the Department of Environmental Quality presented a "webinar" on Harmful Algae Blooms on January 26th. The webinar was quite informative and provided updated information on research regarding algal blooms and their reactions to varying phosphorous and nitrate levels. Two specific examples were discussed in detail. I believe the City Recorder has a copy of the webinar at Dunes City Hall, and I have a recorded tape of the entire webinar, for anyone who may wish to listen.

The next meeting will be held at City Hall on February 16, 2011, at 6:30 p.m.

City Planner Report to City Council  
February 10, 2011 ~ Prepared by Lisa Ekelund

In the Month of January, Dunes City issued 2 mechanical permits and 1 electrical permit. The total permit issuance for the year is 3.

Last month, the Planning Commission held their meeting on January 27th, 2011. During this meeting, the Planning Commission unanimously voted to have Commissioner Riechel continue as Planning Chairman and Commissioner Burke will be the Vice-Chairman. Councilor Mills gave a presentation on her work regarding the fee schedule along with her work in reviewing Ordinance No 182, which is the City's Land Use Code. The Commission also discussed their roles in various projects and Vice-Chairman Burke volunteered to assist with the review of the Land Use Code. Chairman Riechel assigned Commissioner Martin the task of reviewing and comparing the City's CCI process as defined in the Dunes City Comprehensive Plan along side the process defined by the State in it's Planning Goals and to produce a document that merges these requirements.

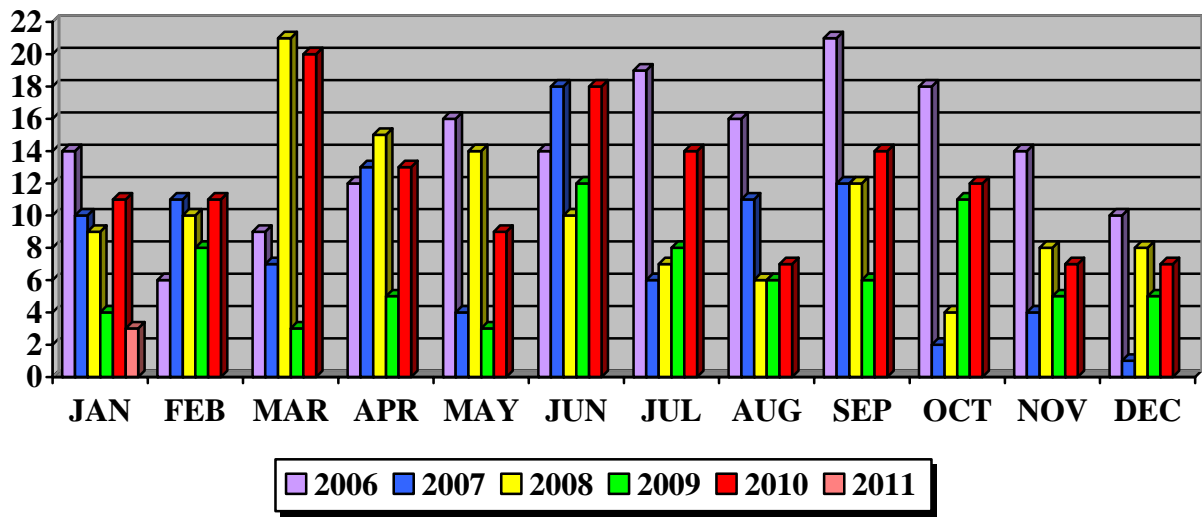
On February 1, 2011, Dunes City began working with The Building Department LLC for building official, inspection, and plan review services. This has been a very positive transition. Our plans reviewer, and structural, plumbing, and mechanical inspector is Dave Gates and our electrical inspector is Don Meier.

The next scheduled meeting of the Planning Commission is February 24, 2011 at 6:00 pm.

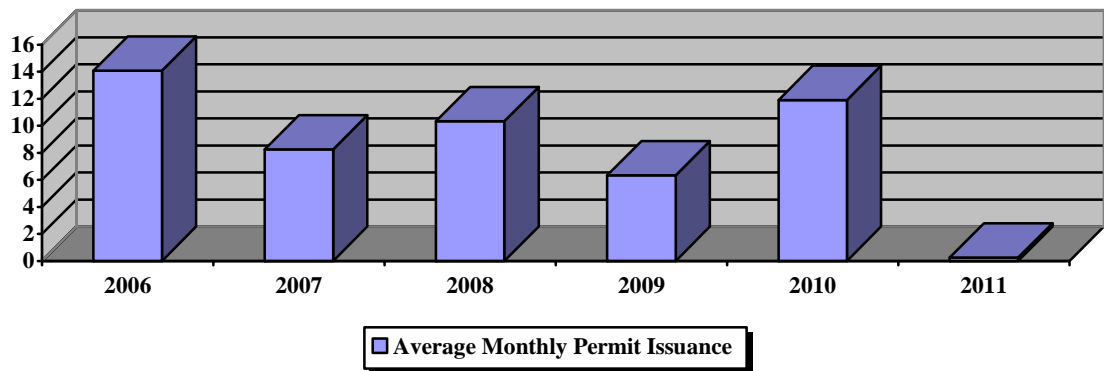
Respectfully submitted,

Lisa Ekelund  
City Planner

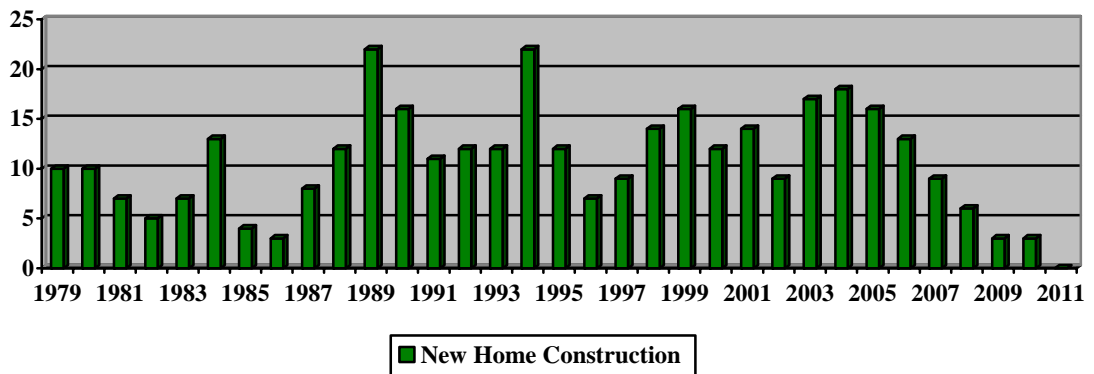
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Total Monthly Permit Issuance



Average Monthly Permit Issuance



New Home Construction

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