

CITY COUNCIL

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 meeting it was reported that "there was a lot of negative response" to the letters. Cutsforth said at that meeting that the present ordinance is too strict and she would like to see a less strict version.

"The goal is not to harass people but get some of the trouble spots in town cleaned up," she told the police commission.

At this time the ordinance allows the city to declare a vehicle discarded, and therefore a nuisance and subject to impoundment, simply if the car has an expired license. If the car is parked on private property, not inside a building out of sight, and has expired tags it can be confiscated by the police department after five days, the ordinance says. Cutsforth said this restricts some people from working on restoring or repairing cars, or for those who have simply failed to renew their tags on time. She said in order to enforce the ordinance fairly it was necessary for her to send out letters to all people who had vehicles with expired tags, which has upset some people around town.

The city ordinance explains a discarded vehicle this way: "Any vehicle which does not have lawfully affixed unexpired license plate and/or is in one or more of the following conditions: inoperative, wrecked, dismantled, abandoned, or junked. Discarded vehicles include major parts thereof including, but not limited to bodies, engines, rear ends and transmissions."

Cutsforth said she would like to come up with an ordinance that allows people to get permits from the city to work on or keep unlicensed vehicles. She said this way people could work on automobiles on their property as long there was no nuisance. She said the permits would be free, last for one year and be similar to animals permits issued by the city allowing people to keep animals in the city limits as long as they do not bother neighbors. The council instructed Cutsforth to work on wording of the new ordinance. She said the ordinance will also cover unlicensed boats and travel trailers.

"This will not solve the problem when there are five vehicles on a property and they are all licensed?" asked council member Judy Buschke.

"Not as long as they are licensed," Cutsforth replied.

Snow removal complaints

Public Works director Chad Doherty told the council there were quite a few complaints from the public about the city's snow removal over the past week. He said people were asking him why the city was not plowing the side streets. Doherty told the council the city was plowing both Saturday and Sunday, but just could not keep up with the snowfall. He said some people were also complaining that the city plow was throwing snow up into their driveways.

"Do we tackle the side streets?" he asked the council. "We either do it or we don't. I don't like getting yelled at," he said.

He also said the city quit putting gravel down on most of the streets because the snow was so fluffy the sand did not help.

Cutsforth said she got complaints about the way Main Street was plowed and reminded people it was a state highway and plowed by ODOT (Oregon Dept. of Transportation).

"ODOT is in charge of snow removal on Main Street," she said.

Council approves lien ordinance

The council also held a public hearing on a new property lien ordinance that allows the city manager to place liens on property for overdue water bills and unpaid bills for nuisance abatement such as car removal.

Only one person spoke from the public at the hearing. Deanna Koerner of Heppner said she was concerned that the ordinance would not allow for hardship cases such as when a person dies or is sick and their spouse is stuck with lots of medical bills and they miss some water and sewer payments. Koerner was concerned that the city would then have the power to not only place a lien but also foreclose on a home for unpaid water bills, and she was worried about people who fall on hard times.

"We have lots of customers who work out payment plans," Cutsforth said. "The last thing we want to do is lien." She said the city judges each case on an individual basis.

Cutsforth says the city has the right, however, to shut the water off to a property after 60 days of non-payment. She said a person would usually be moved out of the home when a lien is finally put on the property. "There would be no water. They could not be living there," she said.

"That's nice to hear, but it is not in writing. That is not what the ordinance says," Koerner told the council.

"Are you going to change it (the ordinance)?" she asked. "That is an arbitrary judgment from the city. If the city wants to do it there is nothing stopping them," she said.

According to the ordinance the lien process would start when a water and sewer bill is more than 90 days past due. The city would notify the property owner in writing of the overdue bill. The property owner would then have 10 days in which to pay the delinquent charges, or the lien would be placed. The city would then notify the property owner by certified mail that the lien had been placed. The lien would be recorded against the property at the courthouse and remain there until the bill, along with filing and other fees, was paid. The city will charge nine percent interest on unpaid bills. If the city does foreclose on a property, those charges will also be added to the lien amount.

Mayor Perry said the city needs the capability to foreclose in order to make the new ordinance work. Cutsforth said she had originally proposed the ordinance not have the foreclosure ability, however, she was advised by the city attorney it was necessary in order to have teeth in the law.

"I have a problem with the teeth," said Koerner. "Do we need that in this town?"

"In the long run without the ability to foreclose that (the unpaid lien on the property) will sit there and not get paid," said City Attorney Philip Spicerkuhn, "if the property is sold outside the banking system (no bank loan). There are other ways for property to get transferred where the city would not know about it. There is no way the city could collect without the lien process," Spicerkuhn explained.

"It is expensive to

foreclose and it can take forever," said Cutsforth. "It's not in our best interest to foreclose. Shutting off water gives us more power (to collect bills) than foreclosure," she said.

"I don't have a problem with liens; I just feel the foreclosure is harsh and unneeded," said Koerner.

The council voted unanimously to adopt the ordinance unchanged.

In other business the council voted to adopt the recommendation of the utility commission and start charging \$800 - \$1000 for new water hookups in the city. The current charge is \$300, however, the council was told this does not cover the cost of the materials.

"We are not looking to gouge people or deter them from moving here; we want to cover our costs for materials," Doherty told the council.

It was also discussed that four water meters froze during the recent cold weather, and three of those were not insulated. Cutsforth said next year the city is going to have an educational campaign to tell people how to properly insulate their water meters so they do not freeze. She said she has talked to Pettyjohn's Builders Supply about supplying insulation that just slips on easily, and plans on having articles in the newspaper explaining how to do it.

The council heard the following reports:

City Manager's Report

-Worked with Terry Harper and Rick Carter of the Morrow County Sheriff's Office on nuisance abatement. They toured Heppner and sent out over 27 letters to property owners. This action led to an examination of our current abandoned automobile ordinance.

-Attended the League of Oregon Cities Small City's meeting in Boardman at the Sage Center. The topic for discussion was Economic Development

-Met with Tawni Bean from the Infrastructure Finance Authority to discuss the Waste Water Facilities Plan. Heppner has been given an extension to allow time to work through data issues with the DEQ.

-The city met with Morrow County and their design committee to discuss the conditions of their conditional use permit and additional details about repairs on Gilmore and adjoining streets.

-Met with Dice Construction and Ferguson Engineering to establish details for the sewer repair and manhole addition on Chase Street.

-The city and councilors had a goal-setting session which also included a meeting with Carla McClane from the county to discuss our Pre-Mitigation Disaster Plan; both meetings where a success.

-Preparing for Saint Patrick's Day and spring.

Heppner City Council Goals for 2014/2015

-City tour for councilors of new projects

-Parks: amphitheater—set up program for summer events; tennis court—resize and resurface; basketball court—work with county and WC Park District to locate near pool, find money.

-Install auto flushers at city park near the library.

-Establish a line item and start a reserve fund in the budget for a GIS system to aid in mapping and maintaining our water system.

-Work with the county to develop a solution to the sewer problem at the

fairgrounds. Remove the stock wash racks from the sewer and create a grey water area.

-Work with the water resources department to find the most cost-effective way to complete the repairs of Well 4 and to certify Well 5.

-Establish a line item and start a reserve fund in the budget to build a vehicle plug-in/storage shelter.

-Update Urban Growth Boundary (UGB) Code and Inter Governmental Agreement with Morrow County for UGB.

-Revise and establish an Emergency Action Plan. Involve the hospital, HVPD, MCSO, etc.

-Correct those areas of the city with chronic low pressure problems by replacing 4" pipe with 6" pipe on Fairview Ave. from Barratt Blvd. when money allows. Replace water lines from Well 1 to the city (approx. 13 miles).

-Develop and fund a plan for replacing those water mains on Cannon, Matlock and Green

-Paint City Hall interior, start planning for exterior and replacing failing windows and install ventilation fan. Complete light project.

-Prioritize improving Gilmore, Gale and Chase Streets.

-Establish a Nuisance Ordinance as suggested by the Morrow County Undersheriff Steve Myren.

-Develop a written best practices policy for CIS.

-Establish a plan to replace Reservoir #3.

-Replace building at Reservoir #2 (estimated less than \$10,000).

Public Works Report

Water Dept.
 -The city changed out two water meters and added 17 radios to existing meters.

-Fixed two broken meter boxes behind the post office. This is a high-traffic area.

-The City of Heppner installed a new check valve at Well 5.

-Had an after-hours emergency water meter repair on Barratt Blvd. The angled meter service stop came loose from its connection.

-The city crew fixed a broken water line at 810 Heppner/Spray Hwy.

Sewer Dept.

-The City of Heppner had Dice Construction replace 220 ft. of flinch sewer main line. Also put in a new sewer manhole. The city crew worked closely with Dice Construction and aided them when needed.

-The city crew cut and removed the asphalt for the Chase sewer project.

-Cleaned and inspected the sewer line on Chase St. Also cleaned a trouble spot on South Court St.

-Installed a main water line for purpose of irrigation at the Waste Treatment plant.

Streets Dept.

-The City of Heppner de-iced streets on several occasions.

-The city took down the winter/Christmas banners and Christmas wreaths.

-Had one wind storm which resulted in fixing some globes on light poles.

-Removed one dead deer from a home owner's property.

Parks Dept.

-Installed auto faucets at city park.

-Installed some heaters at city park.

-The City of Heppner hauled some topsoil to Hager Park.

-Replace and painted the wood on a picnic table.

-Put up a brand new dogipot station at city park. The old one was broken and faded.

Notes

-Had public works decals put on the two newer

trucks.
 -Hauled some scrap metal to Hermiston.

-The city has hired Charlie Ferguson from Lexington as a new Utility Worker.

Sheriff's Report for January

Traffic
 There were four traffic stops, resulting in one citation.

Code Enforcement

Twelve animal calls were reported. Three cats were taken to Pet Rescue. One citation was issued for Maintaining a Dog as a Public Nuisance.

A deputy was working with the city on an issue with unlicensed vehicles and other abatement issues.

A deputy responded to a complaint of loud music coming from a residence. The deputy asked the resident to turn down the music.

A deputy attempted to locate people going door-to-door selling satellite TV service. The deputy was unable to locate the people.

Theft Complaints

A deputy investigated a reported burglary at a residence.

Deputies investigated three fraud complaints.

Gas cans were reported stolen from the back of a vehicle.

All Other

Deputies responded to an audible business alarm. It was determined to be a false alarm.

Deputies investigated an assaulted between siblings.

A person reported a landlord/tenant civil issue. A deputy contacted the caller and advised them of their options.

A person called MCSO and reported a civil issue between her and her soon to be ex-husband.

Deputies assisted during a funeral escort.

A person requested a deputy check the doors to a shed, as the caller thought they may have been pried open.

A caller reported hearing loud bangs downtown. A deputy determined it to be fireworks.

A person reported receiving a suspicious phone call.

A deputy responded to a report of a person seeing someone with a flashlight moving from room to room in a house. It was determined to be the fire department moving items around in a vacant house.

Deputies conducted two welfare checks on children.

Both calls were determined to be unfounded.

BEO reports 2013 earnings

BEO Bancorp and its subsidiary, Bank of Eastern Oregon, last week announced consolidated year-end 2013 earnings of \$2,763,000, an increase of 12.2 percent when compared to \$2,462,000 in 2012.

Basic earnings per share increased 3.1 percent from \$2.55 in 2012 to \$2.63 in 2013. Total assets increased 5.0 percent from \$284.8 million to \$299.2 million. Net loans ended 2013 at \$240.1 million, up 6.8 percent year-over-year. Deposits increased 4.8 percent from \$252.9 million to \$265.0 million.

"2013 was a very good year for the bank with net income at an all-time high. We are an agricultural and natural-resource based institution and when those related industries perform well, so do main street businesses and so does our bank. Even though the 2013 harvest as a whole was not as good as the past few years, loan portfolio performance is still strong. It is important to note that a dry winter warrants caution over the 2014 eastern Oregon ag conditions. We are also keeping an eye on the recovery of the national and global economy and the potential impact on the interest rate environment," said President and CEO Jeff Bailey.

"Total shareholders' equity increased 17.0 percent year-over-year to \$23.019 million. Our Tier 1 capital ratio of 10.02 percent matches up favorably to our peer banks across the nation and continues to make us the highest capitalized bank in eastern Oregon," said Chief Financial Officer Mark Lemmon. "Return on Average Assets is 0.95 percent and Return on Average Equity is 12.94 percent compared to 0.90 percent and 13.23 percent, respectively, year-over-year."

Chief Operations

Officer Gary Propher said, "With the prolonged low interest rate environment, continued growth in year-over-year deposits is substantial. We continue to look for ways to enhance the services we offer our customers. In 2013 we expanded our

ATM network, with deployment of three 'smart' (deposit taking) ATMs in Monument, Ontario and at our newest loan production office in Lakeview. The acceptance of the technology by our customers in those locations has been quite favorable."

"If you really look into the numbers, you will see that we continue to clean up our balance sheet. Other real estate owned is down almost 87 percent year-over-year and past dues are at manageable levels. That said, we realize that agriculture is a cyclical business and we are taking prudent steps to make sure that our loan loss provision is funded at appropriate levels. Our pre-tax, pre-provision income is up 5.8 percent from 2012," continued Bailey. "We continue to see good lending opportunities across our system of branches and loan production offices. Our new LPO in Lakeview complements our existing branch in Burns and adds to our vast eastern Oregon presence. We welcome new customers and strive to build on our relationships with existing friends and neighbors. 2013 was a very good year for Bank of Eastern Oregon. We were able to build upon the success of 2011 and 2012. Our success is directly attributable to our excellent team of employees and the support of loyal shareholders and customers," concluded Bailey.

For further information on the company or to access internet banking, visit the website at <http://www.beobank.com>.



CEO Jeff Bailey

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