

City of La Pine
Budget Committee Meeting and Public Hearing
June 4, June 7, 2007
So. County Building Meeting Room
51340 Hwy. 97, La Pine, Oregon

AGENDA

- I **Election of Chairperson/Secretary**

- II **Call to Order and Establish Quorum**

- III **Budget Message**

- IV **Fund review**
 - a. General Fund
 - 1 Property Tax Rate
 - 2 Line Item Review

 - b. Street Fund
 - 1 State Gas Tax
 - 2 Line Item Review

- V **Community Assistance Requests**

- VI **Public Comments and Questions**

- VII **Announced as required – June 7 and June 11, 2007**
To reconvene to continue hearings

- VIII **Budget Approval**

a. Motion to Approve and Forward to City Council

IX **Adjourn after final meeting**

La Pine City Budget Meeting June 4, 2007

I.

Meeting called to order 7:00pm by Mayor Pro tem – Kitty Shields

**Roll call – Budget Committee members –Doug Ward, Ken Kendall, Ken Mulenex, Randy Rhoades, Ginny Woodruff, Budget Officer- Jayne Benner, City Councilors – Kitty Shields, Luana Damerval, Consultant Jo Anne Sutherland, Recorder Gloria Fleming All present
Councilor shields noted Mayor Martinez would be late, by prior arrangement.
Councilor Daggett absent, Councilor Jordt absent by prior arrangements.**

Everyone introduced themselves and Mayor Pro tem Kitty Shields thanked all for their participation.

Nominations for Chairperson were then asked for.

Ken Kendall nominated Ginny Woodruff Randy Rhoades 2nd

Councilor Damerval nominated Councilor Shields Ken Kendall 2nd

Nominations closed

**By show of hands Ginny Woodruff 4 votes
Councilor Shields 3 votes**

Ginny Woodruff elected to be Chairperson of La Pine City Budget Committee.

Jayne Benner presented the Budget Message to the committee.

Jo Anne Sutherland then went through each line item of the General Fund Revenues and Expenditures.

Concerns on income-

Franchise fees – Being passed on to customers

Might eliminate competition

Timelines – How long before agreements could be in place

Transient Room Taxes- Splitting between Chamber of Commerce, Parks & Rec and City.

Chamber and Parks and Rec will make presentation Thurs. Jun. 7th

Grants – Questions about what types, who could write the grants and what the cost would be.

Ginny Woodruff questioned why the maximum rate of \$ 1.98 was used in the budget as most residents were under the impression that would not happen at the start. Reduction to appx. \$ 1.32 would reduce revenue by about \$70,000.

Expense of the City Manager full time position was questioned. Discussion of contractual services and employee benefits followed.

Some committee members questioned the services that are being provided to the city at this time.

Mayor Martinez arrived 8:35

Ken Mullenex expressed concern about cutting too much in budget until the city is functioning more independently.

Consultant Jo Anne Sutherland agreed to provide a staff report on Thursday that will give the committee a better idea of what is involved in day to day operations of the city. She will also provide some actual costs of operations and memberships.

Meeting recessed at 9:20 pm to be reconvened at 6:45 pm on June 7th.

Respectfully submitted,

**City Recorder
Gloria Fleming**

**Budget Committee Chairman
Ginny Woodruff**

La Pine City Budget Meeting June 7, 2007

I.

Meeting called to order 6:50pm by Ginny Woodruff - Chairperson

Roll call – Budget Committee members –Doug Ward, Ken Kendall, Keith Mulenex, Ginny Woodruff, Budget Officer- Jayne Benner, Mayor Stu Martinez, City Councilors – Kitty Shields, Luana Damerval , Jesse Daggett Consultant Jo Anne Sutherland, Recorder Gloria Fleming All present

Councilors Jordt had given prior notice that she would be absent.

Quorum established

II. Chairperson Woodruff indicated this was a continuation of the June 4, 2007 budget meeting.

III. Public Hearing

a. State Revenue Sharing

Based on per capita figure of 1585 alcohol and cigarette taxes would generate a total of \$2,227 in the budget

Question from public- Where did the gasoline taxes collected go before the city was Incorporated? Answer - Taxes can only be used for roads and the state distributed to cities. La Pine did not receive any share and only benefited through state or county projects in the area.

No other questions – Ginny Woodruff declared the public hearing closed.

IV. Fund Review

a. Street Fund

Jo Anne said that based on money for gas tax received to date and projected revenues the original beginning cash figure should be changed \$35,000. She also suggested interest income figure might be low and suggested the committee consider eliminating the street fund transfer since the beginning cash figure was higher. She explained that 15% of City Manager salary and associated costs would be paid out of the street fund. Beginning cash increase could go toward contractual services. Ginny Woodruff asked how many miles of road were the city's responsibility. It is approximately 10 miles and most are in the Cagel division. Figures for costs of chip seal, grading or plowing will not be available for a few months at least. Councilor Shields noted that because contracts would have to be negotiated and agreements made the City Manager must be in place before that can happen.

V. Community Assistance Requests

a. Chamber of Commerce- Rose Alsbury spoke on behalf the Chamber of Commerce. She said tourism generates \$471 million annually in central Oregon and the chamber would like to see the city receive more of those dollars. The chamber currently is operating on a small budget from the Visitors Association and local businesses. The cost of operating the Visitor Center is \$35,000 which limits the money for promotion of tourism to bring people to the area that will use our local amenities and services. She is currently working on a dining and lodging guide, prepared a business directory, has submitted press releases, written articles for publications in other areas and is maintaining a website that had 208,790 hits in the month of May. She is very concerned that the Transient Room Taxes be used under the strict guidelines of HB 2267 and has many ideas to extend advertising beyond the immediate area to bring more tourists to La Pine. She would also like to provide better service by extending the hours of the visitors center and providing more staff to

assist visitors. She emphasized the money comes from room taxes only and was no cost to homeowners.

Ken Kendall asked if chamber was working to attract outside businesses to La Pine and how the chamber had functioned in the past before funds were available. Rose explained they did receive some funds and rest came from businesses and advertising. She felt the chamber had limited abilities. The staff is made up of volunteers also. She has had to cut back on hours they were able to operate and only recently expanded them for the summer. Doug Ward asked for a breakdown of how the allocated funds would be used and asked if they had a budget he could look at.

Jayne Benner again emphasized the TRT funds could only be used to promote tourism.

b.Parks and Recreation – Tony DeBone spoke on behalf of the Parks & Recreation Dept.

He began by emphasizing the city is within the boundaries of the La Pine Parks & Recreation District. They would only use funds to optimize the facilities within the boundaries of the city of La Pine. One idea is to improve and expand the facilities at the White School complex so it could be a regional expo center with a community room . The improvements could entice tourism by providing a place to host events that would in turn bring funds to La Pine. He also mentioned the athletic fields and how improvements might allow La Pine to host athletic events and bring more visitors to La Pine.

Questions and discussion followed about the legal use of TRT funds and possibility of the “city” allocating the funds to a “district”. Councilor Shields expressed a concern the city might need tourism dollars to do some of their own promotions, strategic planning or marketing. It was decided a legal opinion was needed about usage of TRT funds. This information will be provided to the council before the final budget is adopted.

Meeting break at 7:55 - reconvened at 8:05pm

VI Budget Summary Review June 4th meeting

a.Jo Anne gave some revised figures for budget stating there had been some changes since the proposed budget was developed in April. She also suggested that because TRT taxes were already being collected it would be feasible to pay the Chamber of Commerce their share on a quarterly basis. After more research she found the IT support/program would cost less than originally anticipated and the amount for contractual services should be increased.

Doug Ward asked if fees could be generated by new construction to help pay for a planner but ordinances would have to be in place to do that. This would take time and the budget has to be developed based on what exists at present. He expressed his concern, suggested reducing the property tax rate and then reducing the budget. Mayor Martinez felt that if the property tax rate is reduced it will not allow the city to do some of the things that are necessary and may limit its’ ability to function. After further discussion Doug Ward made a motion to approve a revised budget with the property tax rate at \$1.88 Keith Mulenex 2nd Ayes -Ginny Woodruff, Keith Mulenex, Ken Kendall, Doug Ward, Councilor Shields, Councilor Daggett, Councilor Damerval Noes – Mayor Martinez Motion passed – Budget Committee will submit revised budget to the city council for approval.

Mayor Martinez thanked the Budget Committee for all their hard work on behalf of the Council and the City of La Pine

Meeting adjourned 10:10 pm
Respectfully submitted,

**City Recorder
Gloria Fleming**

**Chairman of Budget Committee
Ginny Woodruff**