

# CITY OF LA PINE BUDGET COMMITTEE MEETING

May 19, 2008 6 pm

51340 Hwy. 97 La Pine, Oregon 97739  
SOUTH COUNTY BUILDING MEETING ROOM

1. Call to Order
2. Establish Quorum
3. Flag Salute
4. Election of Chairperson
5. Budget Message
6. Fund Review
  - a. General Fund
  - b. Street Fund
  - c. Tourism Fund
  - d. Comp Plan & Land Use Regulations Fund
7. Public Comments and Questions
8. **Announce continuation of meeting on May 22 and May 27, 2008**
9. Budget Approval
  1. Motion to Approve and Forward to the City Council on June 11, 2008
10. Adjourn After Final Meeting

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above referenced meetings. This notice does not limit the ability of the City Council to consider or discuss additional subjects. Meetings are subject to cancellation without notice. The work session and City Council meetings are open to the public and interested citizens are invited to attend. The meetings are public meetings not a community forum; audience participation is at the discretion of the Council. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Luana Damerval at (541) 536-1432.

**CITY OF LA PINE BUDGET COMMITTEE MEETING MINUTES**  
**May 19, 2008**

**1. Call to Order**

The Budget Committee meeting was called to order by Mayor Pro-Tem Kitty Shields at 6:09 pm.

**2. Establish Quorum**

Present were:

Mayor Pro-Tem Shields

Councilor Dee

Councilor Woodruff

Budget Officer Ken Kendall

Budget Committee members-Linda Maggard, Randy Rhoades, Doug Ward and Ken Mullenex. Member Tom Harmon was absent.

Mayor Martinez was absent due to illness.

City Attorney Jeremy Green

City Manager Christine Nelson

City Recorder Luana Damerval

As only 4 seats of the Council are filled, and 5 seats of the Budget Committee - Quorum established.

**3. Flag Salute**

The Pledge of Allegiance was led by Councilor Woodruff.

**4. Election of Chairperson**

Mayor Pro-Tem Shields presented the committee with a letter of resignation from Ginny Woodruff.

*A motion was made by Randy Rhoades to accept the resignation of Ginny Woodruff from the Budget Committee. It was seconded by Ken Mullenex. All ayes - motion passed unanimously.*

The nominations were opened.

Ken Mullenex nominated Doug Ward. It was seconded by Randy Rhoades.

Mayor Pro-Tem Shields nominated Councilor Dee. It was seconded by Linda Maggard.

The nominations were closed by vote. All ayes - nominations closed.

*Vote for Doug Ward.*

*Ken Mullenex, Randy Rhoades, Robert Dee, Doug Ward. Total - 4 votes.*

*Vote for Robert Dee.*

*Linda Maggard, Ginny Woodruff, Kitty Shields. Total - 3 votes.*

Doug Ward accepted the position of Chairperson.

**5. Budget Message**

The Budget Message for 2008-2009 was read by City Manager Christine Nelson.

## **6. Fund Review**

### **a. General Fund 00:16:00**

Ken Kendall explained the following explanations for the committee.

Form LB-20 is the General Fund income.

Form LB-30 is the General Fund expenses.

### ***Item 8-Shared Revenues***

The Committee discussed shared revenues received for the State of Oregon . In order to receive these funds a public hearing before the Budget committee and the City Council is required along with an annual Resolution.

Included in this discussion was a new category of revenue from the State which the City was not entitled to prior to this year.

### ***Item 2-Requirements***

Overtime-was discussed by the committee, to see if \$6,000 was enough to cover the possible overtime that might be needed this year, with Planning Commission meetings, and any other City sanctioned meeting.

*Contingencies* were explained by Budget Officer Ken Kendall, that if more than 15% is spent of that line item, then the City is required to do a supplemental budget.

### ***Item 3-Retirement***

Councilor Woodruff asked why there was a drop in the retirement line item from last year. It was explained that we did not go with PERS (last year's estimate), and are now looking at a 3% maximum match from the City.

### ***Item 7-Unemployment***

That line item is to cover any unemployment paid directly from the City, as this was not set up in time to go through the State Unemployment Insurance. The next window of opportunity is in 2010.

### ***Item 8-Medical Insurance***

This went up about 10%. Councilor Woodruff stated that in other Cities our size that she has checked out, all of them have some employee participation on their Medical Insurance.

### ***Item 13-Contractual Services***

Councilor Woodruff questioned why it would cost \$12,000 for an audit on a \$500,000 budget. Most other cities our size running \$2-3 million don't pay that much. Christine explained that new reporting requirements are in effect this year, and that there will be additional work needing to be done that other cities don't have to do. Councilor Woodruff stated that we only have 4 funds, and other cities have many funds-therefore it should not cost us that much. Consensus was to change that line item to \$10,750.

### ***Item 14-Elections***

Ken Kendall clarified that this amount came from the County Election office.

***Item 16-IT Support/Program***

Last year's was estimated at \$15,000 to cover an accounting system. The City opted to use QuickBooks for a couple of years. Therefore, the cost was lowered this year to \$2,400. More discussion led to upgrading software. Then it was mentioned to buy new computers, as ours are approximately 5 years old now. It was requested by the Committee to get a quote of upgrading all office computers and any equipment and software needed.

***Item 17-Legal Fees***

This dollar figure was questioned, and City Attorney Jeremy Green stated the \$6,000/mo would be reasonable, but at this time there are many infrastructure items needing done this year, therefore the cost will be more to get this done. He also stated that he had been extremely conservative this last year, and felt last year's estimate was way too low. Consensus was to leave this at \$80,000.

***Item 18-Meetings, Travel & Schools***

This was split out to items 19, 20 and 21. This was discussed, and decided to leave as one line item. The \$6,000 figure was felt to be enough. 01:11:15

The Budget Committee made it clear that the Councilors should be turning in their mileage for classes they attend, and should not be expected to pay that expense out of their pocket.

***Item 24-Office Supplies***

Items that might be coming up led the committee to increase this line item, as copy expenses will be a large increase with the planning commission this budget year. It was the consensus of the committee to increase this to \$6,000.

***Item 27-Telephone/Utilities***

These were split out, but the consensus of the committee was to keep this as one line item.

***Item 31-Repay State Loan***

Councilor Woodruff stated that this was not on last year's budget, even though we had the money and spent it. She felt this was an error that needed to be corrected, and she recommended we pay this loan off this budget year, because of auditing. Councilor Dee stated he had no problem paying this loan off early, as long as the money was there now. Ken Kendall felt that paying this off early, we would be throwing away \$8-900 interest, and we will get dinged anyway by the auditors.

Councilor Shields suggested calling Lee Peterson and making sure this was alright. Ken Kendall stated he would do that.

01:36:33

***Item 41-Streets Fund transfers***

Ken Kendall explained the transferring of funds from the General Fund to the Streets Fund to cover repairs that are necessary for this year.

***Item 42-Comp. Plan Fund transfers***

Ken Kendall explained that this transfer is from the General Fund. Funds are to be placed into a separate fund completely for 2008-09 budget year.

***Item 43-Tourism Fund transfers***

Ken Kendall explained that the transfer is a carryover for the funds remaining in the Gen. Fund now and the crunch for paying these will not be an issue. This fund for budget year

2008-09 will be separated out and dispersed by a tourism committee, and the whole process should go smoother for all those involved.

He further explained that the unappropriated funds are very difficult to access, and the extra money can be kept there, or the tax rate can be lowered. Councilor Dee explained that we may want to save this for the future.

The Committee took a break at 8:00 pm. It reconvened at 8:08 pm.

b. Streets Fund 01:51:35

Form LB-10 is for both income and expenses not using property tax to support this fund. There was discussion on the Cagle Road paving project, which has a \$25,000 grant attached to it, if it will be completed in the 2008-2009 budget year. If not, it will have to go into the 2009-2010 budget year. It was clarified that the \$105,000 does not cover survey costs for Cagle Road.

There was also more discussion about the cost of graveling the whole Cagle Subdivision. Councilor Dee stated that the Council decided to reschedule the Cagle Road project for next year. It was stated that the money was there to do it all.

The consensus of the Budget Committee was to budget in for the Cagle Road project. Christine suggested moving \$10,000 from the contract Services into the Maintenance and Materials. The fund total would remain the same, and would cover any unexpected cost that may come up.

c. Tourism Fund 02:14:20

Form LB-10 is for both income and expenses not using property tax to support this fund. Budget Officer Ken Kendall went over this fund, and explained how these funds were split, and that the transfer would be from leftover funds of the 2007-2008 budget year.

There was more discussion on the franchise taxes that have been imposed already, and if the City is going to have any more this next budget year.

Public Comment: none.

*A motion was made at 8:40 pm by Councilor Woodruff to continue this meeting on Thursday at 6 pm. It was seconded by Committee member Ken Mullenex. All ayes - meeting to continue on May 22, 2008 at 6 pm.*

8. Announce continuation of meeting on May 22 and May 27, 2008

This meeting will continue on May 22, 2008 at 6 pm.

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Budget Committee Chairman Doug Ward

attest:

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City Recorder Luana Damerval

**CONTINUATION OF THIS BUDGET MEETING WILL TAKE PLACE  
THURSDAY, MAY 22, 2008 AT 6 PM  
51340 Hwy. 97 La Pine, Oregon 97739  
SOUTH COUNTY BUILDING MEETING ROOM**

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**CITY OF LA PINE BUDGET COMMITTEE MEETING MINUTES**  
**May 22, 2008**

The meeting was reconvened at 5:59 pm on Thursday, May 22, 2008 by Budget Chairman Doug Ward.

Mayor Martinez was ill and not able to attend.

City Attorney Jeremy Green was excused by the Council.

Attending were:

Mayor Pro-Tem Kitty shields

Councilor Woodruff

Budget Committee members Randy Rhoades, Linda Maggard, Tom Harmon, Ken Mullenex and Budget Chairman Doug Ward.

Budget Officer Ken Kendall

City Manager Christine Nelson

City Recorder Luana Damerval

Quorum established.

Budget Officer Ken Kendall went over the overtime that might be incurred, and whether it is used or not is a policy item. As far as the state loan, there was no audit advantage to pay it off early. The continuation of these meetings are done properly.

6. d. Comp Plan & Land Use Regulations Fund

Christine explained the Comprehensive Planning funds, and there are 3 grants that were requested.

The Planning Consultant bids are to go out next week. This is to be completed by Aug. 15, 2008.

The Historic Preservation grant was explained. It is required for our Comprehensive Plan by the state.

LB 30 RECAP-

Contractual services reduced by \$2,000 and Office Supplies/Copier increased by \$2,000.

General fund recap - #16 IT Support/Programs is to add \$10,000 for a total of \$12,400 on that line item in the General Fund. This \$10,000 is to be removed from the #47 line item of unappropriated funds.

Ken Kendall stated that the City Council and staff did not go out and spend the City's money frivolously, and the Unappropriated Fund does not need to be as big as it is, as Contingencies are still there. The Unappropriated Funds category should be where adjustment is made for the tax rate.

Christine went over the street improvement costs, with new information on the cost of rock. The cost for 3" depth of rock and labor and equipment would be about \$107,600, but a big chunk of this would come off of the Cagle road project. The cost of 2" rock would be about \$77,000. She is waiting for those costs and will have that information by the next meeting. Consensus was to stick with the original amount on the proposed budget.

*The discussion of the tax rate led to a consensus upon **\$1.80 per thousand, a decrease of \$.08 from last year**, and a reduction in the amount of Unappropriated Funds.*

The Budget Officer Ken Kendall recapped the fund changes for the committee.

**7. Public Comments and Questions**

Edie Kendall thanked the Committee for \$1.80.

**8. Announce continuation of meeting on May 22 and May 27, 2008**

These announcements were done as the meetings progress.

This meeting was announced at 7:11 pm that it will continue on Tuesday, May 27, 2008.

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Budget Committee Chairman Doug Ward

attest:

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City Recorder Luana Damerval

**CITY OF LA PINE BUDGET COMMITTEE MEETING**

**May 27, 2008 at 6:00 p.m.**

51340 Highway 97, La Pine, Oregon

South County Services Building Meeting Room

1. Continuation of Budget Committee Meeting
2. Call to Order and Establish a Quorum
3. Public Hearing - State Revenue Sharing Funds  
In accordance with ORS 221.770, the Budget Committee will hold a public hearing to consider possible uses of the State of Oregon Revenue Sharing Funds. Citizens will have the opportunity to provide written and/or oral comments regarding the possible uses of these funds during the public hearing.
4. General Comments from Budget Committee
5. Public Comments and Questions Regarding Proposed Budget
6. Budget Approval  
Motion to Approve and Forward to the City Council on June 11, 2008
7. Adjourn

**CITY OF LA PINE BUDGET COMMITTEE MEETING MINUTES**  
**May 27, 2008**

**1. Continuation of Budget Committee Meeting**

The meeting was reconvened at 6:00 pm.

**2. Call to Order and Establish a Quorum**

Present were:

Mayor Pro-Tem Kitty Shields  
Councilor Woodruff  
Budget Committee Chairman Doug Ward  
Budget Committee members:  
Ken Mulenex  
Randy Rhoades  
Linda Maggard  
Tom Harmon  
Budget Officer Ken Kendall  
City Manager Christine Nelson  
City Recorder Luana Damerval

Mayor Martinez was absent due to illness.

Councilor Dee was absent by prearrangement.

Quorum established.

**3. Public Hearing - State Revenue Sharing Funds**

In accordance with ORS 221.770, the Budget Committee will hold a public hearing to consider possible uses of the State of Oregon Revenue Sharing Funds. Citizens will have the opportunity to provide written and/or oral comments regarding the possible uses of these funds during the public hearing.

The public hearing was opened at 6:02 pm by Budget Committee Chairman Doug Ward. Ken Mulenex stated that the budget committee is in favor of continuing to use and manage the State Shared Revenues. The Gas tax revenues shall be used in the Streets Fund, and the other State Shared Revenues shall go into the General Fund.

**Public Comment:**

Gloria Fleming asked if there were any major things, will this be brought up at a Council meeting or is it finished at the beginning of the meeting, so the public will have further comment on that.

Mayor Pro-Tem stated that anything that goes into the General Fund means just that, the Council has the discussion on how it is spent, as it has in the past. Bigger expenditures will have Council discussion as it has always done.

*A motion was made by Ken Mulenex to allocate the State Gas Shared Revenue, as required, to the Streets Fund, and the remaining State Shared Revenues to the General Fund as described in the budget.*

*It was seconded by Tom Harmon. All ayes - motion passed unanimously.*

The Hearing was closed at 6:09 pm.

4. **General Comments from Budget Committee**

Councilor Woodruff asked for a recap of the final version of the proposed budget. Ken Kendall went over all of these changes.

Councilor Woodruff had concerns about the reduction of the Unappropriated Funds line item instead of the Contingencies line item. There was more discussion from the Committee on these two funds, ending with leaving them as they are.

5. **Public Comments and Questions Regarding Proposed Budget**

Gloria Fleming stated that with the Planning and Comprehensive Plan coming up, we won't know what will be in future budgets, that it may take 2-3 years to build up the money, and we really need to have the money set aside.

6. **Budget Approval**

Motion to Approve and Forward to the City Council on June 11, 2008

A motion was made by Randy Rhoades to approve the budget as written and forward it to the City Council on June 11 for their approval, changes or disapproval. It was seconded by Tom Harmon. A hand vote was called for. All approved - motion passed unanimously.

7. **Adjourn**

The Budget Committee meeting for 2008-2009 was adjourned at 6:36 pm.

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Budget Committee Chairman Doug Ward

attest:

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City Recorder Luana Damerval