

LA PINE BUDGET COMMITTEE MEETING

Monday, May 17, 2010 - 6:00 p.m.

51340 Highway 97 La Pine, Oregon 97739

South County Building Meeting Room

1. Call to Order
2. Establish Quorum
3. Flag Salute
4. State Revenue Sharing Hearing Pursuant to ORS 221.770
5. Election of Chairperson
6. Budget Message
7. Fund Review
 - a. Comprehensive Plan and Land Use Regulations Fund
 - b. Tourism Fund
 - c. Street Fund
 - d. General Fund
8. Public Comments and Questions

Members of the public will be offered an opportunity to ask questions about, and comment on, the budget document.
9. Budget Approval

If appropriate, the Budget Committee may approve and forward the budget document to the La Pine City Council for review at the June 9, 2010 Budget Hearing.
10. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice. This meeting is open to the public and interested citizens are invited to attend. 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 K. Damerval at (541) 536-1432.

LA PINE BUDGET COMMITTEE MEETING MINUTES

Monday, May 17, 2010 - 6:00 p.m.
51340 Highway 97 La Pine, Oregon 97739
South County Building Meeting Room

1. Call to Order

Mayor Shields called the meeting to order at

2. Establish Quorum

Present Were:

Mayor Kitty Shields
Councilor Barbara Hedges
Councilor Adele Moilanen
Councilor Don Greiner
City Recorder Luana Damerval
Admin Ass't Patricia Morgan
Budget Officer Ken Kendall
Randy Rhoades, Budget Committee Member
Linda Maggard, Budget Committee Member
Vivian Cooper, Budget Committee Member
Rene Schifano, Budget Committee Member
Wayne Kovacs, Budget Committee Member

Absent Were:

City Attorney Jeremy Green was excused due to not needing to attend the Budget Meeting
Councilor Doug Ward – excused absence due to illness

3. Flag Salute

The Pledge of Allegiance was led by Linda Maggard.

00:01:30

4. State Revenue Sharing Hearing Pursuant to ORS 221.770

Ken Kendall, Budget Officer, discussed the reasons for the Public Hearing regarding the various State revenue sharing that the City receives each year. There were no comments from the Council or Committee members.

Public Comments

Vicky Jackson, area resident, reminded the committee that the community contributed to the money generated by the State revenue funds like the gasoline, cigarettes, liquor, etc.

Mayor Shields closed the Hearing at 8:06 pm.

00:05:00

5. Election of Chairperson

Councilor Greiner nominated Linda Maggard as the Chairperson. Vivian Cooper seconded the motion. Councilor Hedges nominated Councilor McAfee to be the Chairperson due to her background and experience. Randy Rhodes seconded the motion.

By a show of hands Councilor McAfee was selected as the Chairperson.

00:09:40

6. Budget Message

Ken Kendall, Budget Officer, read the Budget Message. He said that the budget includes the two state mandated items, zoning ordinances and the transportation study plan. Mr. Kendall said the cost of these items may be partially covered by receipt of grant funds.

Ken Kendall stated that at the start of the next fiscal year, a new Interim City Manager will be on staff. He said this individual will enable the City Council to more effectively plan and deal with the ever increasing responsibilities of a growing community. Mr. Kendall said the Interim Manager will also assist the Council in the process of selecting a full time City Manager that will help steer the City toward future success. He said that present staffing levels may change and it is anticipated that legal expenses will decrease. Mr. Kendall said the City continues to remain debt free. He said the majority of the issues for discussion at tonight's meeting will be from the General Fund.

00:16:45

7. Fund Review

a. Comprehensive Plan and Land Use Regulations Fund

Ken Kendall said that this fund has been closed but there will be one more payout at the end of June 2010. He said this fund will not be used in the future.

b. Tourism Fund

Ken Kendall said that this fund will cease to exist in the future because the monies are running through the General Fund.

c. Street Fund

Ken Kendall said that this fund only gets money from the gas tax or from grant money. He said the City will be receiving about \$25,000 from a recent grant before July 1st. Ken Kendall stated that it is easier to appropriate by category than be line item. He also said that the unappropriated ending fund balance is used to begin the following fiscal year and can only be spent in the current fiscal year if there are emergency circumstances.

d. General Fund

Ken Kendall stated that Cascade Natural Gas is paying a 250% increased franchise fee from last year due to an underpayment correction that was made. Councilor Greiner stated he would like the Council to move forward with the Midstate Franchise Agreement. Councilor McAfee said the Council had asked City Attorney Green to move forward on it.

00:35:36

Regarding a question from Councilor McAfee, Mr. Kendall stated that the legislature could decrease the shared revenues but probably not in the same fiscal year. He said the State usually projects three years ahead. He said, according to Deborah McMahon from DMC Consulting Inc., the City can probably anticipate getting a TA Grant (Technical Assistance Grant) every year by applying for it.

00:47:22

Public Comment

Vicky Jackson, area resident, asked about the increase in the networking capital and how it occurs. Mr. Kendall said there was a huge increase in the franchise fees and there was also a lot less money to start with for fiscal year 2009-2010.

Pam Cosmo, area resident, asked a question about what happened to the first firm hired to develop a comprehensive plan. She said there has been very little information about what the problem(s) were that created a need to terminate them. According to Mayor Shields there was a legal reason and it was dealt with and it is strictly confidential and the City could be sued if it does not remain confidential.

00:55:00

Ken Kendall then started to explain the details on each line item with discussion to occur after each item. He stated that the current payroll is higher because he anticipated a 7% salary increase and then added \$30,000 for a six month Interim City Manager salary and an additional six month salary for a permanent full time City Manager at \$52,500. Mr. Kendall said the budget anticipated approximately \$2,000 of personnel overtime.

00:59:35

Councilor McAfee asked about a retirement plan for the City Manager that might be part of a salary negotiation in the future. Ken Kendall said that once the budgeted personnel expenses have been used any additional monies would have to be transferred from another fund. Mayor Shields stated that this City does not offer a PERS retirement plan and is not required to do so. Councilor Greiner said while that is correct the City may be able to hire a better qualified applicant by offering PERS or some other retirement plan. Mayor Shields said if the money is not available it could be taken out of contingency. Ken Kendall said he calculated that there would only be three months of medical insurance paid to the Interim City Manager and only three months of premiums for a permanent City Manager due to required waiting periods.

01:31:41

Councilor McAfee discussed finding a funding source to assist with safety traffic issues, etc., which could be applied through by utilizing a grant writer. She suggested adding an additional \$10,000 to line item #13 to cover the cost of grant writing.

01:39:00

Ken Kendall stated that City Attorney Green suggested that \$75,000 would be a good figure for legal fees. Councilor McAfee presented a survey she had completed regarding legal fees for cities with similar populations to La Pine. She said she would like to propose that the amount be reduced to \$50,000. Mayor Shields stated that she disagreed because every city is different. She then passed out a handout for the City of Bend from a budget document. Mayor Shields said that there is nothing that the City Attorney does that is any different from Bend's attorney.

01:47:00

Councilor McAfee stated that the majority of Bend's budget is because they have multi-million dollar litigation expenses. She also said the in-house legal services they provide are far more complex than what exists in La Pine.

01:49:32

Rene Schifano, Budget Committee Member, was excused from the meeting at 7:50 pm. Councilor McAfee called for a short break.

01:51:00

Councilor Greiner stated that the Council regularly refers tasks to the City Attorney and that the amount budgeted is reasonable. Mayor Shields stated that City Attorney Green has prevented legal problems from occurring for the City. She did suggest revising the Council Rules and Procedures so the Attorney is not required to attend every Council meeting. Councilor McAfee stated that she is critical of the City Council, not the City Attorney, and their continual and unnecessary need for legal expertise. She said she was also giving Council an opportunity to send a message to the public that they are serious and they have heard the public about the extraneous charges. Councilor McAfee said that she does not think the legal fees will be \$75,000 this year.

01:56:30

Mayor Shields stated that she takes issue with the statement that there has been unnecessary use of the attorney. Councilor Greiner stated that any unused legal fees would remain in the budget.

Public Comment

Vicky Jackson, area resident, asked a question about the total amount of legal fees spent thus far. She stated that Councilor Ward has stated at Council Meetings that they have all this money left over to spend on the attorney and her fear is budgeting for \$75,000 might create an expectation that the City Attorney will spend that amount regardless of actual need. Ms. Jackson stated that she favored \$50,000 for legal fees in the budget.

02:06:37

Admin Ass't Patti Morgan asked about budgeting for office improvement to accommodate the new City Manager. Mr. Kendall said it had not been budgeted. Councilor Hedges suggested putting it in the budget for next year and that \$3,000 might be a good amount. Wayne Kovacs stated that for the City Manager, it would probably be better for privacy, etc., to provide a walled office space rather than partitions.

02:15:39

Public Comments

Vicky Jackson, area resident, stated that Pam Cosmo had asked her to request that the postage budget amount be doubled for citizen mailings. Ms. Jackson also said that if the phone system was upgraded

to allow for more incoming lines to accommodate conference calls it could cut down on the cost of the City Attorney having to commute to La Pine for every meeting.

Councilor McAfee suggested making a City policy for a specific donation amount so that all donations would be the same amount. She also said, in regard to the hiring of a City Manager, grant writing skills was not one of the criteria used for selection.

02:29:15

Councilor Hedges stated she favored a \$1.80 tax rate to assist with improvements to the City. Councilor Greiner agreed with holding the line and keeping the citizens satisfied. Wayne Kovacs and Randy Rhoades both agreed with the \$1.80 tax rate in current economic times.

02:38:15

Public Comments

Vicky Jackson, area resident, expressed concern about planning for the funds to improve the traffic and safety issues that exist on Highway 97. Mayor Shields stated that the City's contribution is suppose to come in the form of SDC's (Service Development Charges).

8. Public Comments and Questions

Members of the public will be offered an opportunity to ask questions about, and comment on, the budget document.

None

02:48:20

9. Budget Approval

If appropriate, the Budget Committee may approve and forward the budget document to the La Pine City Council for review at the June 9, 2010 Budget Hearing.

A motion was made by Randy Rhoades and seconded by Mayor Shields to Approve the Budget Document and forward to the City Council for Review.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Kitty Shields</i>	<i>X</i>	
<i>Councilor Barbara Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	
<i>Linda Maggard</i>	<i>X</i>	
<i>Rene Schifano</i>	<i>X</i>	
<i>Wayne Kovacs</i>	<i>X</i>	
<i>Randy Rhoades</i>	<i>X</i>	
<i>Vivian Cooper</i>	<i>X</i>	

Motion passed unanimously.

10. Adjourn

A motion was made by Councilor Greiner and seconded by Linda Maggard to Adjourn the Meeting

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Kitty Shields</i>	<i>X</i>	
<i>Councilor Barbara Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	
<i>Linda Maggard</i>	<i>X</i>	
<i>Rene Schifano</i>	<i>X</i>	
<i>Wayne Kovacs</i>	<i>X</i>	
<i>Randy Rhoades</i>	<i>X</i>	
<i>Vivian Cooper</i>	<i>X</i>	

Motion passed unanimously.

Mayor Shields adjourned the meeting at 9:01 pm.

Mayor Kitty Shields

Attest:

City Recorder Luana Damerval