

LA PINE BUDGET COMMITTEE MEETING AGENDA

Tuesday, May 17, 2011 - 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
 - e. New Funds
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 8, 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

**Tuesday, May 17, 2011 - 6:00 p.m.
51340 Highway 97 La Pine, Oregon 97739
South County Building Meeting Room**

1. Call to Order

Mayor Mulenex called the meeting to order at 6:00 pm.

2. Establish Quorum

Present were:

Mayor Mulenex

Councilor McAfee

Councilor Greiner

Councilor Varcoe

Stu Martinez – absent by prior arrangement

City Manager Rick Allen

Administrative Assistant Patti Morgan

Bob Steffens, Budget Committee Member

Vivian Cooper, Budget Committee Member

Wayne Kovaks, Budget Committee Member

Rene Schifano, Budget Committee Member

Quorum Established

3. Flag Salute

Bob Steffens led the Pledge of Allegiance.

4. State Revenue Sharing Hearing Pursuant to ORS 221.770

Public Comment

None

A motion was made by Councilor Varcoe and seconded by Councilor Greiner to approve the Resolution for the election of the City to receive State Review Funds.

Vote as follows:	AYE	NAY
Mayor Ken Mulenex	X	
Councilor Dan Varcoe	X	
Councilor Adele McAfee	X	
Councilor Don Greiner	X	
Bob Steffens	X	
Rene Schifano	X	
Wayne Kovacs	X	
Vivian Cooper	X	
Budget Officer Rick Allen	X	

Motion passed unanimously.

5. Election of Chairperson

A motion was made by Councilor Varcoe and seconded by Councilor McAfee to nominate Bob Steffens as the Chair of the Committee.

Vote as follows:	AYE	NAY
Mayor Ken Mullenex	X	
Councilor Dan Varcoe	X	
Councilor Adele McAfee	X	
Councilor Don Greiner	X	
Bob Steffens	X	
Rene Schifano	X	
Wayne Kovacs	X	
Vivian Cooper	X	
Budget Officer Rick Allen	X	

Motion passed unanimously.

06:59

6. Budget Message

City Manager Allen stated that the Budget Message discussed how the numbers were developed for the budget. He said the message will explain the numbers. City Manager Allen stated that the Council had a retreat for goal setting prior to the budget being created. He said by separating funds it lets some things be seen differently. City Manager Allen stated staff added back in the Street Fund from the General Fund. He said the TRT fund was put back in as a separate fund. There are also two funds for Sewer and Water. City Manager Allen said the total number is in the General Fund with individual departments. He said they still are part of the General Fund but allow the City to breakout items. City Manager Allen also said it is important to have a Community Planning Department. He said the SDC (System Development Charge) is kept as a separate fund. City Manager Allen stated there was also a City Hall building reserve fund that was kept separate. He said the appropriated ending fund balance (which had not been done before) is something that needs to be done. City Manager Allen also said the City needs to have about five months of revenue to cover the lapse time before receiving property tax revenue.

7. Fund Review

- a. Comprehensive Plan and Land Use Regulations Fund
- b. Tourism Fund
- c. Street Fund
- d. General Fund
- e. New Funds

City Manager Allen stated that according to the County, there is a 12% decrease this year for property taxes. He said \$130,000 of revenue will come from the franchise agreement with Midstate Electric. He said there is revenue from RV parks if the occupants stay less than 30 days.

22:51

City Manager Allen said staff put in about \$5,000 for an SDC (System Development Charge) since the City will have at least one in the coming year. He said they can only collect on a transportation SDC for now. City Manager Allen said that La Pine taxes were very low at \$1.80 tax rate. City Manager Allen stated that the State street tax went up because the gas tax went up but people are driving less. He said they hope to get a grant for a TSP (Transportation System Plan). City Manager Allen stated they also did a Street Reserve Fund because the City will probably have to help out with the cost to improve the First and Reed Street intersection.

31:38

City Manager Allen stated the City is exploring the City's relationship with the local law enforcement. He also said the City will be looking into public safety and also emergencies. Mayor Mullenex stated that the City had no idea of what they can expect from the law enforcement in La Pine. He suggested having a meeting with the Sheriff and finding out what the Sheriff's recommendations were for public safety in La Pine.

City Manager Allen stated that there will be a need to have an additional staff person that would be the Bookkeeper/City Recorder/Ass't to the Mgr. The City would no longer contract out for bookkeeping duties. He said they budgeted for three full time employees. City Manager Allen said that to attract a good City Manager the City will need to have a retirement plan as there is none now.

City Manager Allen stated the purchasing and remodeling of the new City Hall will be funded out, it is a one time thing and will last for quite awhile. He said the income from Edward Jones (who is renting an office at the new City Hall) is about \$1,320.00 per month and would help with the mortgage payment. He said they will be making arrangements to have, preferably, local contractors do the remodeling of City Hall which will cost about \$175,000.00

City Manager Allen stated that for Sewer & Water he did not put anything into that fund except for attorney fees since the City probably will not be absorbing them until the 2012-2013 fiscal year. He also said for the TRT (Transient Room Tax) they are anticipating about \$68,000 coming in with the City getting 30% to the general fund and 70% to tourist activities. City Manager Allen said there will also be a 2% set aside of TRT funds. Additionally, he said he has set aside \$5,000 for the Parks and Recreation District to provide some support for them but those monies will not be available until May of 2012.

00:55:55

Councilor Varcoe excused himself from the meeting due to another obligation.

City Manager Allen stated that most of the legal fees were being spent on planning, as well as Water & Sewer District issues and also Biogreen. He said the fees have been broken down based on specific projects. City Manager Allen stated he had budgeted \$75,000 for legal fees. He said if the costs go over this amount it will come out of the General Fund.

00:58:00

City Manager Allen stated that he created the Sewer and Water District funds so there would be a smooth transition when the withdrawal actually occurs and cover any legal or other costs.

Councilor McAfee stated that the City has had the same law firm for the past five years and yet has no contract with them. She said a contract may assist in having lower legal fees. City Manager Allen stated that if the Council wants, they can go out for an RFP (Request for Proposal) for legal services.

City Manager Allen said he has put money into financial management because it is so important. He said the City has been using Quick Books but it does not work for a City with several different funds and also with the Sewer and Water District's accounting. City Manager Allen also said there are more ways to have fraud with Quick Books. He said he put about \$20,000 in the budget to purchase the accounting software named Caselle which is designed for municipalities. City Manager Allen also said he has budgeted for a full audit since the amount of the City's revenue and expenses now require it. City Manager Allen said only audit reviews had been done in the past.

City Manager Allen stated that Public Relations is something the Council had asked to have included in the budget.

City Manager Allen stated that approximately \$372,000 was carried over from the General Fund. The Street Fund had a carryover of \$181,000. He said there is \$697,000 of carryover from the current fiscal year to the next fiscal year. He said he estimated franchise fees at approximately \$185,000. With all the other revenue funds the total for Fiscal Year 2011-12 would be \$1,483,000 including shared revenue funds, property taxes, franchise fees and grants.

01:22:51

City Manager Allen stated a salary range for the new City Manager from \$55,000 to \$75,000 and also broke down ranges for the other two employees, the City Recorder and Administrative Assistant. He said it had been set up so the fund could be moved around.

City Manager Allen stated the snow plowing, road grading comes out of the street fund. He said the materials and services would be where road maintenance materials would be charged from.

City Manager Allen said they had budgeted approximately \$15,000 for the full audit to be done in the coming fiscal year. He also said right now the City contracts out for planning consultation. He said they budgeted \$500 for animal control but he will be talking to the Sheriff and see what can be done otherwise. City Manager Allen said they have budgeted money for janitorial services, landscape maintenance and snow plowing for the new City Hall. He said mosquito abatement in the City has been budgeted for the next fiscal year. City Manager Allen said the City's insurance went up some due to the purchase of the new City Hall.

City Manager Allen stated the City put in \$15,000 for a new website after receiving an estimate from Network Solutions in Bend. He said the current web service needs to be updated and changed with more security (use of Visa Cards, etc.) and the City's current computer support company does not really want to be involved in this type of new system.

City Manager Allen also said he has budgeted for a better copy machine for the new City Hall. He said meeting and travel expenses have been increased for the new budget year.

The committee had consensus on the good job City Manager Allen had done because the budget had been prepared so well.

Wayne Kovacs passed out a memorandum from Ken Kendall regarding a complaint about the percentage of the retirement funds proposed for staff. The memo stated that the percentage should be no more than 2-3%.

There was a discussion on raising the tax rate. The majority of the committee were not in favor of raising it.

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

02:04:53

The Committee and Council had consensus to not have another budget meeting.

9. **Budget Approval**

A motion was made by Councilor McAfee and seconded by Mayor Mulenex to approve the Budget and for the Budget document to go to the City Council to be reviewed at the June 8th Budget Hearing.

Vote as follows:	AYE	NAY
Mayor Ken Mulenex	X	
Councilor Adele McAfee	X	
Councilor Don Greiner	X	
Bob Steffens	X	
Rene Schifano	X	
Wayne Kovacs	X	
Vivian Cooper	X	
Budget Officer Rick Allen	X	

Motion passed unanimously.

10. **Adjourn**

Chair Steffens adjourned the meeting at 8:07 pm.

Mayor Ken Mulenex

Attest:

City Manager/Recorder Rick Allen