



July 22, 2020

City Council Special Session (Via Zoom)
Willamette Activity Center Room 8
47674 School Street
5:00 p.m.

MINUTES

Council Present: Mayor Kathy Holston, Councilors: Christina Hollett, John McClelland, Bobbie Whitney, Paul Forcum and Dawn Kinyon

Staff Present: City Administrator Bryan Cutchen, Finance Director Bill Jones, City Recorder Jackie Sims, and Police Chief Kevin Martin

1.0 Call Meeting to Order

2.0 Pledge of Allegiance

3.0 Roll Call- Councilor Maxfield was absent

4.0 Additions, Corrections or Adjustments to the Agenda- none

5.0 Public Comment-none

6.0 Ordinances and Resolutions

6.1 Resolution 09-2020 Correcting June Supplemental Budget

Bryan read the issue.

Councilors Whitney and Hollett declared actual conflicts of interest.

Motion: Councilor McClelland moved we adopt Resolution 09-2020, a Resolution correcting an omitted transfer in the FY 2019-20 Supplemental Budget. Councilor Forcum seconded the motion.

Councilor Kinyon- is it ok to make a change to the previous year's budget after the year ends?

Bill – he asked the powers that be and as long as it is a correction of an error it is ok as long as it is in a timely manner.

Forcum (aye), Kinyon (aye), Mayor Holston (aye), McClelland (aye). Motion carried 4-0

6.2 Resolution 10-2020 Short Term Interfund Loans

Bryan read the issue.

Councilors Whitney and Hollett declared a conflict of interest.

Motion: Councilor McClelland moved we adopt Resolution 10-2020, A Resolution approving short term Interfund loans. Councilor Forcum seconded the motion.

Mayor Holston- is this something that is required to come to council?

Bill- yes, these are not transfers, they are loans. If they are not required to be in the budget but they do require resolution of the governing body.

McClelland (aye), Mayor Holston (aye), Forcum (aye), Kinyon (aye). Motion carried 4-0

6.3 Resolution 11-2020 City Administrator Evaluation Process

Mayor Holston read the background.

Motion: Councilor McClelland moved to adopt Resolution 11-2020, a resolution adopting the CA performance review criteria, including attachments A & B and Exhibit A. Councilor Forcum seconded the motion.

Kinyon (aye), Hollett (aye), Whitney (aye), Mayor Holston (aye), Forcum (aye), McClelland (aye). Motion carried 6-0

6.4 Resolution 12-2020 Local Option Public Safety Operating Levy

Bryan read the issue

Councilor Kinyon- can someone explain about the water rate increase last fall where it was discussed that the increase would cover police and fire. She understands it, but she has had citizens ask her and she can't explain it very well.

Bryan- should the levy pass he wants to look into removing that base rate and bring the water bills back to just the water bills. Even with the levy we are still going to be shy of about \$150,000.

Bill-that \$150,000 is after the \$120,000 transfer from the water fund to support the emergency services. If that wasn't being transferred then the deficiency would be significantly higher.

Mayor Holston- so what you are saying is that we transfer from the water fund and what we raised comes to about \$120,000 a year, but with the levy we will still be about \$150,000 short. Without the water accounts we would be \$270,000 short.

Bryan- that is correct.

Councilor Whitney- don't we already transfer money out of our water fund into those accounts to cover other expenses other than what was raised by the water rate increase?

Bryan- previous administration used administrative overhead to transfer among funds. When he arrived they took the administrative overhead and applied some data analysis to truly determine what the right rates were to charge people for overhead. We came up with a consistent method of allocation administrative overhead across all funds. That is why you see those short term loans and the levy.

Bill- to clarify, when we did the water rate increase the administrative overhead was right around \$270,000 which we felt was way too high and we changed that to a more reasonable amount which reduced the amount transferred to the general fund. In addition our debt service increased dramatically.

Councilor Kinyon – how will this money be split? How much goes to police and how much fire services?

Bill- they haven't done a detailed study of that split right now, his initial assumption like the administrative overhead they would look at the various expenses of the two departments and allocate it based on a calculation with number of personnel and materials and supplies, key financial data.

Bryan- this will be a key discussion item for the budget committee.

Councilor McClelland- this is just a big step in a long process to put the city on firmer financial ground. He along with others don't like to see his taxes go up but it's a necessary step that the city needs to take in moving away from the creative accounting of the past.

Councilor Kinyon- when are we going to talk about the remaining shortfall, even if this passes we will still be \$150,000 short. When will be talking about the special district that will that might affect our needs financially, is that set up yet?

Mayor Holston- once we have the levy then the discussion should begin right away. I'm sure the City Administrator has some plans on how he wants to set up the formal processes yet. There will be citizen participation in the group along with the police and fire department.

Bryan- this is a short term solution that allows us to set up, it allows up breathing room to set up a district to negotiate an ambulance service area modification with Lane County.

Dan Barclay-It took more than three years for the previous staff to enact the annual CPI increase and then that fall council voted to improve the \$4.50 increase on water rates with specific distribution to pay the loan and create a reserve fund. Staff insubordination was condoned and excused and enabled by a council who was unwilling to provide leadership to two people. Bryan walked into a situation last year where we got to have money to pay the loan but the money wasn't there.

Councilor Hollett- just wanted to reply to Mr. Barclay, she appreciates what he said and wants the citizens to know that none of them want to raise rates, no matter what the answer is it will never be fair no matter what the answer is. This is a mess that they all need to clean up.

Mayor Holston- wants to make clear about the money that Dan Barclay added up and talked about, she doesn't want anyone to think oh my god where did the money go? It got absorbed into the general fund, and it wasn't transparent, she just doesn't want anyone thinking we have this money sitting somewhere.

Councilor Kinyon- thinks that money was used on the projects that were going on.

Bill- we did spend about \$115,000 on the water project out of pocket over and above what we were able to borrow.

Motion: Councilor McClelland moved we adopt Resolution 12-2020, a resolution calling an election to submit to the voters of the city a five year local option levy for public safety operations. Councilor Whitney seconded the motion.

Councilor Hollett declared a potential conflict of interest.

Councilor Whitney declared a potential conflict of interest.

Mayor Holston- encouraged the public to reach out to their councilors and city hall if they have questions or concerns about this levy.

Mayor Holston- thanked Councilor McClelland for painting the lights up town.

Hollett (aye), Whitney (aye), Forcum (aye), McClelland (aye), Kinyon (aye), Mayor Holston (aye). Motion carried 6-0

7.0 Public Comment

8.0 Adjourn – 5:50 pm

Signed: 
Kathy Holston, Mayor

Signed: 
Jackie Sims, City Recorder