



August 4, 2011
City Council Regular Session
Oakridge High School Auditorium
7:00 pm



MINUTES

1.0 CALL MEETING TO ORDER

Council Present: Don Hampton, Mayor
Gerald Shorey, Council President
Daniel Barclay
Ernest Baszler
Rayetta Clark
Amy Kordosky
Glenn Fortune

Staff Present: Gordon Zimmerman, City Administrator
Tim Demers, Fire Chief
Louis Gomez, Police Chief
Ruthann Plumlee, City Recorder/Finance Director

Mayor Hampton called the meeting to order at 7:00 p.m. The Pledge of Allegiance was said.

Mayor Hampton asked the City Administrator to give a financial update of the City before the public comment portion of the meeting. (See attached.)

Mayor Hampton said we have about 16 people signed up to speak so he will allow two minutes per person.

2.0 PUBLIC COMMENT –

Kurt Andrews – 76138 Rigdon Dr. – waived his time to give it to James Affa.

Mayor Hampton said he would limit waiving time to one person so Mr. Affa will have four minutes to speak.

John Ryon - 47735 W. 2nd St. – waived his time to James Affa.

Mayor Hampton said he would not allow it.

Jill Mardin - 48479 E. 1st St. - said she chose to move to Oakridge after her husband passed away for many reasons. The main reason was the diverse population. She thought people from different backgrounds and cultures living together could work together and get along. She feels like Oakridge is

home and she wishes the citizens would work together and move forward instead of fighting amongst each other.

Nancy Kelly - 48328 E. 1st St. - came before the Council last year for the same issue. She wants the Council to reconsider the permit for the Keg and Cask Festival. She gave a letter to the Council. (Attached)

Robin Keever – 47778 Hwy 58 - owns the property by Dink's Market and is starting a nursery, She wants to offer \$40,000 for the lot next to hers and open a feed store and equipment rental business.

Terry Callahan – 76531 Bobbe Way - said it's been a long time since he's seen such anger and hate emanating from residents of Oakridge. He vehemently opposes the recall effort. He asks that Oakridge support the Council in their efforts to clear up this mess and to move forward.

Faithe Simington – 48240 Hills St. - read a letter on Siuslaw Bank. (Attached)

Hendrena DeJonge – 76140 Odle Lane - said the City owes her a \$354 refund from her court fine and her attorney fees. She said if the City does not pay her she will file a civil lawsuit.

Robert Baker - 76326 Klohn Road - said he's the temporary acting chairman of the 912 Project in Oakridge. He said they place the blame on the Council for the missing audits for not overseeing the City Administrator. He said the 912 group decided on the recall effort in April after their unsuccessful attempts to influence the Budget Committee. They came in on June 6th to file their recall petitions but were informed by Mr. Zimmerman they were a month too early. They came back on July 6th to file their recall petitions. He wanted to make it clear that the recall effort was decided upon before the missing money issue surfaced.

Sherry Klosterman - 48314 Hills St. - she said the water bills have gone up \$19 and are supposed to go up another \$2 this fall. She asked the Council if the City has all this water why there is a Community Garden that the residents pay the water for.

Robert Garr - 47889 Elgin Ave. - thanked the responsible people for filling in the potholes on Elgin Street. He said animal control has put a damper on the loose animals in the area. He wants to know why the police department got a 4% raise. He also wants to know where the storm water fees went that the City has been collecting.

Jess Henrys - Portal Drive - asked how the Budget Committee could prepare a budget without an audit. He asked if the City was still going forward with an internal audit. Mayor Hampton said an outside accountant will be coming in to examine the system.

Gordon said the auditors will continue to do the City's audits and the accountant will do an internal review to help find solutions.

Mr. Henrys said the \$420,000 was a preliminary figure on the missing money and wants to know if there is an updated figure.

Gordon said the money is not missing. He said the City has spent it and they need to find out how the City spent more money than was received.

Vince LaRochelle - 76563 Walker - said he chose Oakridge to live in also and wants the City to solve this problem and does not support the recall.

Dawn Kinyon - 47709 School St. Unit 2 - believes the recall is not the answer for the City and is glad for a vote to decide the issue. She said the 912 group wants the police department to be eliminated and is highly against it. She said she has been to quite a few of the Council meetings and has been distracted by rude comments and people talking and making it hard to hear what is being said by the Council.

James Affa - 76340 Garden Road - said he has been on the Budget Committee for the last two years and is closer to the problem and can help shed some light on the issue. He asked the citizens to remember Mr. Zimmerman's words that he just found out Tuesday that the City does not have money to cover its bills. Mr. Affa said he doesn't understand why the Council did not suspend Mr. Zimmerman until the issue was resolved.

Ron Sutton - Union St. - did not speak.

3.0 MAYOR AND COUNCIL COMMENTS –

Councilor Barclay said he was appointed by a majority of the Council, not elected by the people as Mr. Callahan stated during Public Comment. He said during his first meeting one agenda item was the City Administrator contract. He did not personalize the position. He said the position is about the job being done, not the person doing the job. It's about if the job was done or not and not about blame.

Councilor Shorey thanked everyone for being at the meeting. He said he wanted to address some of the citizen comments made this evening.

Councilor Shorey told Mrs. De Jonge that she needed to go to Lane County Court for her refund of her fine.

Councilor Shorey told Mr. Garr the explanation for the storm water charge was in the Oakridge newsletter. He said the charge is for storm water diversion of moving water, not standing water as there are not many storm drains. He said some of the money collected went towards the storm water master plan development.

Councilor Shorey told Sherry Klosterman the City uses the Portland Consumer Price Index percentage to adjust water rates every year and this was voted in by a previous Council in the fee schedule.

Councilor Shorey said his petition for recall was not turned in and he does not know why.

Councilor Baszler said he has asked about the audits and has never gotten an answer. He said somebody is not doing their job and he does not want to borrow money until things are fixed. He said the City needs the audits done.

Councilor Fortune said there has to be some humor here and he hopes no one takes offense to anything. He said Oakridge is becoming known in the Northwest. He said his child has let him know the news is as far up as Canada and maybe some good can come from this bad situation.

Mayor Hampton said a couple days ago the Register Guard ran an editorial on the recall. He read a piece of it and said he has copies for people that want to read the entire piece.

The Mayor said eight states identify grounds for a recall. Oregon does not. The most common grounds concerns felonies, malfeasance, corruption, etc. He has a printout of this also for people.

Mayor Hampton addressed the letter to the editor of the *Dead Mountain Echo* written by Mr. Welsh. He said he usually doesn't respond, but he felt he had to this time. He said the point is to, as President Reagan said, "trust but verify." He said we would start off by trusting what Mr. Welsh had to say and see if some of it could be verified. He then stated his side to the letter.

Councilor Kordosky said in regards to the editorial in the *Dead Mountain Echo* that all are welcome to the meetings whether you like the Council or not. She said no one tells her what to say and that she does the best she can and always will.

Councilor Clark thanked all the people that came to the meeting, good and bad. She thanked the people that support her and the Council. They try to make the best decisions they can.

Councilor Baszler said he hates to see Linda Martin get laid off. She has been the face of City Hall and she will be missed.

4.0 ADDITIONS, CORRECTIONS, OR ADJUSTMENTS TO THE AGENDA

Add item 6.3 Direction to City Administrator for Auditor Direction.

5.0 CONSENT AGENDA

5.1 Correction of Minutes of Regular Meeting of July 21, 2011

Mayor Hampton asked if there were any corrections that needed to be made to the minutes.

Councilor Shorey said yes. He said on page 2 of the Council packet, under Public Comment for Skip Baker, there is a "C" missing from the word Chairman. It reads "hairman".

Motion: Councilor Clark moved to approve the Consent Agenda with the correction. Councilor Shorey seconded the motion. G. Shorey (Aye), E. Baszler (Aye), Mayor Hampton (Aye), G. Fortune (Aye), R. Clark (Aye), D. Barclay (Aye), A. Kordosky (Aye). Motion carried 7-0.

6.0 ADMINISTRATIVE SERVICES

6.1 Resolution 13-2011 Tax Anticipation Loan

No changes to the Staff report.

Motion: Councilor Fortune moved to approve Resolution 13-2011 seeking a Tax Anticipation Note from Siuslaw Bank. Councilor Kordosky seconded the motion.

Councilor Barclay said the fees went up from \$1,000 to \$3,000--is this correct. Gordon said yes it was correct. Gordon said the correct version of the resolution is in the email from Siuslaw Bank that he forwarded to all Councilors.

Councilor Shorey said the signer should be corrected to read the Mayor is authorized to sign the loan note. Gordon said he would make that correction.

Councilor Shorey asked how accurate is the figure that is needed and asked how strict the covenants are regarding the audits be completed by December 31, 2011. Gordon said the figure comes from the expenses and revenues monthly and that the bank understands the audits may not be done by December 2011.

Mayor Hampton asked about the prepayment penalty being waived on page 13 of the Council packet. He asked if that meant the City could pay off the note early if they could. Gordon said yes, the City could do an early payoff, if possible.

Councilor Barclay asked if the City had asked creditors to work with us on accounts. He also asked if Gordon had looked into a line of credit instead of a loan. Gordon said creditors have made payment arrangements with the City; for example, taking quarterly payments instead of being paid all up front. Gordon also said he has looked into a line of credit and Key Bank chose not to do so.

Councilor Shorey said the County expressed an interest in providing oversight to the City and he doesn't feel that should be their role. He said the City is looking at going through this same thing for the next three to four years and he feels trapped.

Councilor Baszler said according to the accountant letter, the City's money dwindled over the last two years and he wants to know what happened. Gordon said that's what we are trying to find out.

A. Kordosky (Aye), Mayor Hampton (Aye), D. Barclay (Nay), G. Shorey (Nay), G. Fortune (Aye), E. Baszler (Nay), R. Clark (Aye). Motion carried 4-3.

6.2 Approval of Jones and Roth Engagement Letter

Gordon said Jones and Roth has offered to help with reconciling the GL to the bank statements, financial analysis of the City's books, and monitoring systems review and recommendations.

Motion: Councilor Kordosky moved to approve the engagement agreement with Jones and Roth CPA's. Councilor Clark seconded the motion.

Councilor Barclay said working with Jones and Roth with Forrest Arnold as our accountant would be a conflict of interest. He said the auditors should be able to finish the job they have been paid for the last three years.

Councilor Shorey has asked for a Request for Proposal for accounting firms. He wants to see another proposal or two before he makes up his mind.

Mayor Hampton said the theory behind the same firm is that Mr. Arnold could provide historical data about the City and also have an accountant that is more technological adept and can provide the information the auditors want in a more usable format.

Councilor Barclay asked if the City's contract is with Mr. Arnold specifically or is it with the firm. Gordon said it was with Mr. Arnold.

R. Clark (Aye), G. Shorey (Nay), G. Fortune (Aye), A. Kordosky (Aye), D. Barclay (Nay), Mayor Hampton (Aye), E. Baszler (Nay). Motion carried 4-3.

6.3 Unreconciled Account \$67,000 General Fund

Gordon received an email from the auditor, which was sent to the Council, which gave the City two options. Option one is to continue to look into the discrepancy and reconcile the differences; or option two which is to let the auditors modify their opinion and giving a qualified audit on the general Fund.

Councilor Barclay said the amounts in the email differ from the amount in the General Fund. Gordon said some were debits and some were credits. He said these adjustments were done at the request of the auditors. This has been a problem for the last two years.

Councilor Shorey asked for a total of money spent for the year for accountant and auditor fees by the next Council meeting. He is curious if that much was budgeted or if they are overspending in those areas.

Motion: Councilor Shorey moved to accept proposal number two made by the auditors to modify their opinion and receive a qualified audit on the General Fund for the fiscal year 2008/2009 audit. Councilor Baszler seconded the motion. G. Shorey (Aye), Mayor Hampton (Aye), R. Clark (Aye), A. Kordosky (Aye), G. Fortune (Aye), E. Baszler (Aye), D. Barclay (Aye). Motion carried 7-0.

7.0 COMMUNITY SERVICES

No report.

8.0 POLICE SERVICES:

Chief Gomez wanted to make a correction about raises. He said for the next three years there is a zero raise for the first year, a two percent raise for the second year, and a two percent raise for the third year. He said he's getting tired of hearing miscommunication and had to correct it.

9.0 EMERGENCY SERVICES:

No report.

9.1 Resolution 12-2011 EMS Equipment Reserve Fund

Motion: Councilor Fortune moved to approve Resolution 12-2011 creating an Emergency Services Reserve Fund for the 2011-2012 budget. Councilor Shorey seconded the motion.

Councilor Shorey said there were some verbage issues. He said it indicates this is for replacement of fire apparatus and related equipment. He asked exactly what that included.

Gordon said he worded it that way so they could buy other necessities if they decided not to purchase an ambulance.

Councilor Shorey asked that the title of the resolution be made more specific and would be happy to work with Gordon on the language.

Councilor Fortune withdrew his motion; Councilor Shorey withdrew his second.

10.0 REPORTS FROM BOARDS AND COMMITTEES

Administration - meet fourth Monday in August.

Community Services - meeting canceled. Will reschedule.

Public Safety – met July 27th at City Hall. Discussed the Municipal Court and how it was functioning. They have processed 117 citations. They discussed Osprey Park lights. They are going to try lower wattage sodium lights with baffles. They discussed the park rules which would follow the Greenwaters Park rules. The cattery is almost done. All that is left to finish is mudding the sheetrock and electrical. They are still discussing signs at the crosswalk at Salmon Creek Park Street. The Sheriff Patrol issue is still on the table.

LCOG- no report.

Chamber of Commerce – no meeting until September.

Watershed Council - had Board meeting middle of last week. Program Manager resigned and the Education Director has moved. They now have two vacancies they have to fill.

LRAPA – first Oakridge advisory meeting was for informational direction for the group. The Woodstove Replacement Program is for ductless heat pumps only. They will not fund pellet stoves or certified woodstoves. The allowance has been increased to \$2,000. They have opened up the program to Eugene and Cottage Grove but Oakridge gets first priority.

Trails - meeting next week has been cancelled. Rescheduled for September 8, 2011.

Tree Planting - meetings start in September.

Library – meet in September.

OEDAC - meeting the fourth Monday of August at Noon. Meeting place unknown at this time.

Team Oakridge - no meeting for a while.

OWL - no report.

Parks, Trails, & Trees - meet next week at 6:30 p.m.

ACT - meeting Wednesday August 10, 2011

Lane Economic Committee – meet in September.

UBRA – the fundraiser for the Northwest Fiddler’s Conference was Tuesday - Friday July 25th thru 29th at Westrisdge School. Fiddlers are looking forward to coming back next year.

HUB - no report.

The Council recessed at 9:00 p.m. to go into Executive Session at City Hall in the Council Chambers under ORS 192.660 (2) i - Performance Evaluation.

11.0 Executive Session: ORS 192.660 (2) i - Performance Evaluation

The Council reconvened at 9:50 p.m.

Motion: Councilor Barclay moved to terminate the City Administrator for cause per contract Section 5, Paragraph C, items 1, 2 and 4. Councilor Baszler seconded the motion.

Councilor Shorey said he believes to terminate the City Administrator they have to afford him the opportunity to respond to the charges.

Councilor Barclay read from the contract that the City Administrator would be afforded the opportunity to refute the charges, either orally or in writing, before the Council, and to have representation of his choice at the hearing. Councilor Barclay said he would think representation of his choice would not include the City Attorney as that would be a conflict of interest. Mayor Hampton said yes.

Councilor Shorey asked if the Council goes forward with this action, does the City Administrator have time to get an attorney for the hearing before it is scheduled.

Councilor Barclay said yes, it would not happen tonight. Mr. Zimmerman would have the opportunity to refute the charges, or address the charges, and should be given the opportunity to do that. This would not be a decision made tonight but the beginning of the process.

Councilor Shorey asked if this would happen at a regular Council meeting or have to be a special meeting to hear the case. Mayor Hampton said he would have to check that with the City Attorney.

Councilor Kordosky said she thinks they are putting the cart before the horse. She said letting him go without having the City’s issues cleaned up and finished is wrong. She said once everything is done and cleaned up then that would be an appropriate time.

Councilor Barclay said that at this point they have not gotten any definitive answers on how the City came to this. How could he expect somebody that doesn’t know how we got here going to know how to fix it.

Councilor Clark said she agreed with Councilor Kordosky. She said Mr. Zimmerman has taken responsibility and she thinks that he also needs to take responsibility for fixing the mess. She said it would be very inappropriate to bring someone else in that has no clue as to what's gone on.

Mayor Hampton said the hiring process for a City Administrator is a long one. He said you are basically doing nothing in your City for about six months. If you want to interview people you pay for their expenses to get here and lodging. Then you have to negotiate a contract after you settle on a candidate. Mayor Hampton said if you can't negotiate a contract with that person you have to start the process all over again or hope that your number two choice still needs a job. He said it does nothing to solve our most immediate problem, which is finding out why we are not able to keep track of our finances like we should be.

Councilor Shorey said some cities have had to bring in interim administrators from an outside source. He said Junction City hired a person from LCOG to fill in until they hired a permanent administrator. He said Oakridge would have the same kind of interim administrator.

Councilor Fortune said he hears that the City Administrator should be a CPA and keep track of the City's books. He said qualifications are looked at but what happens when you hire a qualified person and it doesn't work out? He asked if that was Gordon's fault, also. He said now they have a Councilor that's advocating firing the City Administrator and costing the City another \$100,000 and we are going to have people out there demanding instant answers regarding, "where are we?" He said we are just pushing this thing down the road for another year. He thinks it would be foolish to do.

Councilor Baszler said the City Administrator had a suspicion where the money went and he thinks he ought to let the Council know.

Mayor Hampton said that means nothing. He said he has a suspicion also but it doesn't amount to a hill of beans.

Councilor Clark called for the question.

D. Barclay (Aye), G. Fortune (Nay), R. Clark (Nay), G. Shorey (Aye), E. Baszler (Aye), A. Kordosky (Nay), Mayor Hampton (Nay). Motion failed 4-3.

Mayor Hampton said he would like the Council to give the City Administrator direction both in terms of identifying the problem and preventing the problem in the future. During public comment this evening someone said something about interoffice communication. He said there needs to be some sort of communication set up to communicate the financial situation to the City Administrator and the Council.

Mayor Hampton said the auditor email loop has been taken care of already. He asked if the Council had any other suggestions for improvement.

Councilor Shorey wants to make the Internal Control Procedures into Internal Control Policies. He also wants to reduce the discretionary spending from \$5,000 to \$1,000. Councilor Shorey asked that Chris Hays at Jones and Roth be informed to CC the Council with communication between himself and the auditors or staff.

Mayor Hampton said if Gordon issues a press release of any kind to CC the Council so they hear it from him and not from an external party. Gordon said that is what he usually does but in the case of the layoffs, a spouse of one of the people that was laid off called the media. He said he hadn't even issued the press release yet.

Councilor Shorey expressed his concern over Linda being laid off as it is a key position, and she is the front person for City Hall and utility billing. He wants to see her keep her job.

Gordon asked him to come to his office next week to discuss it.

ADJOURNMENT: The Council adjourned at 10:15 p.m.

Respectfully submitted before the City Council August 18, 2011.

Signed: _____
Donald E. Hampton, Mayor

Signed: _____
Ruthann Plumlee, City Recorder