



October 6, 2011
City Council Regular Session
City Council Room
48318 E. 1st Street
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 said there are five people signed up to speak so he will allow three minutes per person.

2.0 PUBLIC COMMENT

Kurt Andrews - 76138 Rigdon Drive - he said he went to a couple of Lane County Commission meetings. He said Gordon Zimmerman was being grilled by the Commissioners and said his answer to all the questions asked by them was no. He said he is embarrassed to look at the Council right now. He said Gordon should have been gone a long time ago. He said the Council should not have let Gordon take that 884, "or whatever it was". He said whoever is in this with Gordon is going to jail and he can guarantee that because he has people working on it.

Sherry Klosterman - 48314 Hills Street - had a handout for the Council to ask questions about the Community Garden and clarified the definition of a qualified opinion and a disclaimer of opinion.

Floyd Staley - 76854 High Prairie Road - suggested to Council to not hire another City Administrator. He suggested paying the Mayor and Councilors which would make them more responsible in their decisions. He said when the sawmills were open the City was run by the Mayor and Council and there was more of a population.

Jess Henrys - 47737 Portal Dr. - asked if the Council approved the financial review and if he was in the process of doing it.

Gordon said Chris Hays of Jones & Roth was doing the financial review.

Mr. Henrys said in his opinion they should discharge him. He looked up a financial review and it says this is done with records given to the reviewer and he cannot look any farther than those records. He said it's obvious that there is a lot hanging out and there needs to be a forensic audit starting in 2007 and coming forward. He recalls during some of their discussions that cost was a prohibiting factor. He said Oakridge has been trying to attract business and build jobs for years and there has been some progress. He said if a company was going to come in to a community and hire people that company won't want to hear that the City didn't have its financial ship in order. He said returning the public trust was a top priority and a hands-off approach is the way to get things done. He asked what the actual numbers of employees that had been laid off were.

Gordon said the City laid off 4 temporary employees, 6 regular employees, and 2 employees retired.

Mr. Henrys asked how much the monthly savings were.

Gordon said it was saving about \$500,000 per year, so monthly would be about \$40,000.

Mr. Henrys said in theory the \$500,000 loan we got could be recouped by not hiring those people back?

Gordon said there are no plans to hire the people back. He said we are cutting costs everywhere we can.

Mr. Henrys said he could see the loan having to roll over to the next year.

Gordon said as discussed with the Council, the tax anticipation note would likely occur for the next two or three years.

Benjamin Beamer - 76430 Maple - thanked the council for their service. He knows it's not an easy job. He said the recall is over and now it's time to move on. We need to come back together as a community and solve the City's problems by working together. One of the biggest problems the community has is the ability to communicate. Answers need to be given in a way that gets out to the public and the people in the community asking the questions learn how to make the questions not sound like accusations. He said often people have jumped to conclusions before they even ask the questions. Said it's time to move on and work together to make Oakridge strong again.

3.0 MAYOR AND COUNCIL COMMENTS

Councilor Shorey said he looked over the check register and noticed they have exceeded their budget on the audit. He doesn't know where the money came from to do that. He said they spent \$34,000 in two months and budgeted \$24,000 for the entire audit. He asked how they did that.

Gordon said we paid the bills. He said the auditors give us an amount for a year's audit but every time they come down or have to review paperwork it costs us extra.

Councilor Shorey asked where the money was coming from to pay them the excess.

Gordon said until the budget is looked at as a whole in May and see where adjustments have to be made, he can't say but it does come out of the General Fund.

Mayor Hampton said he asked Pauly Rogers to give an update on when the audit would be complete and the Council received an email from them. He said Chris Hays of Jones and Roth had submitted some new information, some final stuff, and the auditors interpreted that to mean they would have to go back and redo everything. The Mayor told them to work with the figures you were given and if any adjustments needed to be made they would be made in the 2009-2010 figures. He said there should be no additional costs.

Councilor Barclay said he was glad to see everyone present. He said the change of venue was a collective decision by the Council and he apologizes to the people outside the room for lack of space.

Councilor Barclay said the recall is come and gone and there are people in the room that like or dislike the answer. He said the way the process works as far as he knows is the people were asked a question and the question was confidence in the leadership of this Council. It wasn't about safety or losing incorporation, it wasn't about overthrowing the Council and put specific people in their place. He said the process doesn't work that way. In his opinion the citizens are smart enough to get past all the distractions and answer the basic question. The recall illustrated a fairly evenly divided opinion. He said in his experience it's a black and white kind of place to be. People like or dislike something with the same kind of passion whereas the Council has to be in the gray area.

Councilor Barclay said to go along with what Mr. Beamer was saying is whether you the answer or not, the financial problems we are suffering are significant and he wants the answers as bad as anybody. He said when we start allowing it to affect how we treat each other, \$420,000 is a lot of money, but the character of this town is what makes this town.

Councilor Barclay said his understanding of the budget process, they have a 14 member committee that proposes and approves the budget, and then submits it to the Council for adoption. At that point, whatever amount the line item is, that is the authorization to spend that amount. He said in September they spent 25% over that line item amount. He said they don't have a cash flow problem, they have a spending problem.

Gordon said to clarify for Councilor Barclay; appropriations in the budget are by category, not by line item. There are Personal Services, Materials and Services, and Transfers. While you may overspend a line item, you under spend a line item in that same category, you haven't overspent the budget.

Councilor Shorey asked about the legal fees. He said we spent **\$98,500 on legal fees**. He said that didn't include the \$1,000 per month for the City Prosecutor. He didn't look in the budget to see what was budgeted.

Gordon said that was a two month bill while they were waiting on the Tax Anticipation Note. Councilor Shorey asked what they were used for. Gordon said they are used for answering legal questions and he tries to use them as little as possible but there are things the City needs legal counsel for such as a property sale.

Councilor Baszler said he thinks they need to reconvene the budget committee.

Councilor Barclay agrees to reconvene the budget committee. The reasoning is the adopted budget is not correct. That is when the financial issues happened. He said the budget numbers are skewed.

Mayor Hampton said the purpose should be clarified before the budget is reconvened.

Councilor Shorey said he agrees that the budget committee should be reconvened. He said the numbers are skewed and they have changed since the adoption of the budget.

Gordon said during the work session they have talked about outsourcing the dispatch for the police department, they have the original budget, the next column is the revised budget from the department heads going through and taking down all the personnel costs and cut the line items from the budget costs. There are two columns, one with dispatch and one without dispatch. He said he gave all Council copies a few meetings ago. He said they have some information that shows what we are trying to get to as far as controlling our costs and our spending.

Councilor Kordosky said dispatching is not going to save us a significant amount of money.

Gordon said no it's not in the first year. He said it is laid out for you and until they know the actual costs for dispatching and what they are going to do with the water, the information will not be there for the reconvening the budget committee. He said it's as close a guess as they have.

Councilor Barclay said the budget committee has fourteen heads to wrap around the problem and let's use this to help out.

Mayor Hampton said it would be a good idea to look at everything together instead of taking care of pieces one at a time like dispatch, employee layoffs, etc.

Mayor Hampton recognized Don Hadley.

Hadley said he would like to ask the Council, the money that comes from Lowell courts; he would like a record of that because he has the money. And this is a problem that he has. He said he has the figures that came to Mr. Zimmerman. He said this is why he feels the budget committee needs to be reconvened, because in those meetings they didn't get all these documents and he feels 100% for these people in these budget meetings. He is only one of them but he has looked at these documents and he sees a lot of problems. He said just like the Council said, 30,000, 2, 24, just for audits.

Mayor Hampton said they are going to reconvene the budget committee.

Hadley said he would like to give them the documents. He asked Mr. Zimmerman and Ruthann to give him them documents, the money that came from Lowell for the court service that we got. He said he has it but he would like Mr. Zimmerman or Ruthann to give it to him at that meeting.

Gordon asked Mr. Hadley if he was suggesting that the money did not go into the books.

He said he is suggesting that when he asked Gordon at the budget meeting that they needed to put that money in the court system, when it wasn't in its line item, and Gordon said he was absolutely right. He said Gordon's figures don't match his figures.

Gordon asked Hadley if he was suggesting the money we got from Lowell last year didn't go into the City coffers.

Hadley said he didn't say it didn't go in the coffers. He knows Gordon put \$3,000 and he knows it's much greater. He has records from 2006.

Gordon said the money is included in the Fines and Forfeitures line item. It was not broken out. It's all in there.

Mayor Hampton said that will be easy to straighten out.

Councilor Barclay said as far as actual figures, if he takes the tax anticipation off this figure, it leaves me \$300,646.39. We spent \$397,997.97 in August for a difference of \$97,351.58. Those are actual figures and maybe we had some more expensive stuff happening in August and maybe not. He said \$97,000 per month above and beyond, we will be broke at Christmas.

Gordon said as Mr. Barclay understands, you can't turn the battleship on a dime. When you have those employees that you lay off, you cut their costs, but you still have to pay them for the month, you still have to pay unemployment. The ramp goes down slowly. There are annual costs we pay; there are upfront costs we pay. So far this year, we have collected a little over \$1.4 million in revenue that includes the tax anticipation note, and the first few months we spent a little over \$1 million. We are 432,000 to the good for the first three months of this year. He said we are doing the best we can with the information we have and we are trying to cut costs as fast as we can, but you still have to pay your employees, you still have to pay unemployment costs, you have to pay benefits.

Mayor Hampton said you probably had vacation to pay out also.

Gordon said when you lay off employees you have to pay vacation accrued, one employee that retired was paid \$16,000 to \$17,000. Those are all upfront costs. You need to look at the numbers for the year and not by the month before you can know if you are overspending or not.

Mayor Hampton said they would get together and try to line up a budget committee meeting. It will take some time to contact all the member and get a date.

4.0 ADDITIONS, CORRECTIONS, OR ADJUSTMENTS TO THE AGENDA

Add 8.1 Surplus Vehicles

5.0 CONSENT AGENDA

5.1 Minutes of Regular Council Meeting of September 1, 2011

Motion: Councilor Clark moved to approve the Consent Agenda. Councilor Baszler 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 Public Hearing: Surplus Property List

Open Public Hearing at 7:40 p.m.

6.1.1 Staff Report

Nothing further to add to the staff report.

6.1.2 Statements in Favor

James Affa - Garden Road - said this is an excellent idea and a good way for the City to recoup some money. He said prices should be based on Fair Market Value.

6.1.3 Statements in Opposition

None

6.1.4 Statements in General

Sherry Klosterman said there is someone who has approached the City about purchasing a piece of property located on Highway 58 and has gotten no cooperation. She said this has been an ongoing issue for several months.

Mayor Hampton said an answer to this would be made during Council discussion.

Dawn Kinyon asked if there was a published list of what properties were going to be surplussed that was available for the public.

Councilor Kordosky said after they were declared surplus a list would be available.

Councilor Baszler handed out a list of the properties to be passed around the audience.

6.1.5 Close Public Hearing

Close Public Hearing at 7:45 p.m.

6.1.6 Council Discussion

Mayor Hampton asked the City Administrator how he established a price for the property.

Gordon said the Market Value is taken off the Lane County Tax website as it is the Real Market Value.

Councilor Baszler asked if it was the Assessed Value.

Councilor Barclay said the assessed value was what you paid taxes on. Real Market Value is what the value is on the market. He asked Joy Kingsbury, who is a real estate agent, in the market as it is now how does the Real Market Value compare to the actual selling price.

Ms. Kingsbury said properties are selling at a greatly reduced price. She said it's a buyer's paradise and a seller's hell.

Gordon said the City has a responsibility to get as much for the property as it can because it's public property and you are selling it for the public good.

Gordon also responded to Sherry's question. He said he assumes she was referring to Ms. Keever. Ms. Keever brought a document to the Council at a meeting some time ago. He responded with a letter to Ms. Keever telling her the process she had to go through and asked for clarification about which property she was inquiring about and has not received a response.

Mayor Hampton said it could not be sold until it was declared surplus.

Councilor Shorey said the process that was given to Ms. Keever is not the process they were going through now.

Councilor Shorey asked what the use of old City Shop down by Salmon Creek Park was.

Gordon said that was actually park land and they have a grant to upgrade that area with a picnic shelter. It is not surplus as the City's wells were in the middle of it.

Councilor Barclay asked what the process was once this resolution was passed for marketing and selling the property. Is the City going to act as a realtor or are they going to use agents.

Gordon said in the past the City has gotten Requests for Proposal from local agents and picked one agent as the agent of record. He said they could do that again.

Councilor Barclay asked about spreading the wealth among all the area agents.

Gordon said they used one for continuity. He said at this time the list would be on the City's website as surplus property for sale and anyone interested could bring their own agent. He already has people interested in three of the lots being surplus.

6.1.7 Resolution 16-2011 Declaring Surplus Property

Motion: Councilor Fortune moved to approve Resolution 16-2011 declaring specific City property as surplus. Councilor Barclay seconded the motion. A. Kordosky (Aye), Mayor Hampton (Aye), D. Barclay (Aye), G. Shorey (Aye), G. Fortune (Aye), E. Baszler (Aye), R. Clark (Aye). Motion carried 7-0.

6.2 Lane County Elections Ballot Box

Gordon said the County putting the ballot box in would allow people to drop off their ballot any time of the day or night. By having a drive through drop box there would be no questions of propriety or accusations of City staff getting in and removing ballots. He discussed the location with Chief Gomez and have a place picked out that would allow people to access the drive up ballot box without going across traffic and be in a security camera's view.

Motion: Councilor Baszler moved to have a Lane County Elections Ballot Box permanently installed in the City of Oakridge. Councilor Shorey seconded the motion.

Councilor Shorey said he has no problem except he can see it becoming a trash receptacle. He asked if there was any cost to the City to have it installed. Councilor Kordosky said there is no cost to Oakridge.

Councilor Barclay asked if the box could be locked during the times it won't be in use for ballot collection. Mayor Hampton said they are locked when there is not an election.

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.

6.3 2012 RTMP Distribution

No change to the staff report.

Motion: Councilor Kordosky moved to approve the 2012 Rural Tourism Marketing Agreement from Lane County. Councilor Clark seconded the motion.

Councilor Barclay said the \$10,000 received for the past eight years, 74.8 - 79.9% on personnel costs. He would like to propose that the \$10,000 go down to \$8,000 with \$2,000 to go to parks or fireworks. He said the growth in memberships has been static for the past five years.

Motion: Councilor Barclay moved to amend the motion from \$10,000 to \$8,000 for the Rural Tourism Marketing Agreement from Lane County. Councilor Baszler seconded the motion.

Councilor Kordosky asked if there was other room tax money that came in that the community benefits from. Councilor Barclay said that money goes to sponsor the events in town.

Councilor Barclay said the Chamber member list compared to the business license list for the City, there are 35-40 that are common to both lists.

Councilor Kordosky asked Rusty Ackland, who was present, where the money would go if given to the Chamber. Rusty said currently the money is being used for the paid staff. Councilor Clark asked what would happen if the Chamber didn't get the money. Rusty said, in her opinion and not as a representative of the Chamber, without that money the Chamber would probably go away. She said the Chamber does not have enough revenue because of memberships, which have not grown, to sustain the paid person. They also do not have enough volunteers to do the job the paid person does.

Councilor Kordosky asked what the paid Chamber person does for the community. Rusty said they are responsible for memberships, they go to trades shows, take brochures throughout the community, go to other Chambers to represent Oakridge to bring people to the community, and spread the word about Oakridge. They also sponsor events and work with other groups for the events they sponsor.

To vote on the amendment to change the amount to \$8,000 to Chamber and \$2,000 to Parks:

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

To vote on the original motion of \$10,000 to Chamber and the rest to Parks per Lane County Agreement:

R. Clark (Aye), G. Shorey (Aye), G. Fortune (Aye), A. Kordosky (Aye), D. Barclay (Aye), Mayor Hampton (Aye), E. Baszler (Aye). Motion carried 7-0.

6.4 Forensic Accountant Discussion

Councilor Shorey said at the last meeting he made a motion to proceed with hiring a forensic auditor and Councilor Fortune made a motion to postpone to find more information. Councilor Shorey said he has talked with four firms ranging from California to Washington. He said to define the difference between a forensic auditor and an auditor is an auditor comes in with the assumption that the books are correct and take random samples of the books and render an opinion. A forensic auditor comes in with the assumption the books are not correct and goes forth to find out why they are not correct. He is not saying there is anything criminally wrong but they need to get to the bottom of the issue.

Councilor Shorey said the costs range from \$125 per hour, \$195 per hour plus \$100 per hour for staff and a retainer of \$5,000 to \$7,000, \$175 - \$225 per hour and a \$7,500 retainer, and \$300 per hour and staff time and \$9,000 retainer.

Mayor Hampton said it's a financial issue. He wanted to know where the money would come from to pay for this. Councilor Shorey said they seem to be spending a lot on the audit and this missing money seems to be a higher priority than getting the audit done.

Councilor Fortune said what he has read about forensic auditors is they need an area to go to start the investigation. He said they hired Chris Hays at Jones and Roth to do a review of the City's books. He said now they want to bring in a forensic auditor and find out what the problem is and only pay \$10,000.

Councilor Shorey said he wants to go with bringing in some of these firms and talking with them about what they do.

Councilor Fortune said he would like to see these people face to face and find out what they are going to do and how long it's going to take. He said they have yet to have a face to face discussion with the auditors.

Councilor Clark said a face to face meeting with the auditors is a good idea.

Mayor Hampton said they could coordinate it with one of their site visits to avoid any extra cost.

Motion: Councilor Shorey made a motion to proceed to hire a forensic auditor and to audit the books beginning with the 2009/2009 Fiscal Year and moving forward. Councilor Baszler seconded the motion.

Councilor Fortune asked how far back they expect the forensic auditor to go. Councilor Shorey said 2008-2009.

Councilor Fortune said he supports the concept of having the auditor come in and he would like to know what areas we are going to go to. He is not willing to turn around and put thousands more dollars on the community for this until they get to the point that we can't determine what happened with the finances. He said once that person can determine that we are in error and need a forensic auditor, he will be more in favor of it.

Councilor Shorey said he would once again like to say he believes they have a conflict of interest with Jones and Roth and that all they did was shift the work to a different person and authorize them more money.

Mayor Hampton said he is going to vote in favor of this motion. He is hoping they get a chance to interview a couple of these firms and if they find out that we can't afford it, then he will be moving to reconsider the motion some point in the future.

Councilor Clark said they all want the answers and just because they vote yes to have a forensic auditor doesn't mean after they talk with them we have to hire them.

Councilor Shorey said they are not locked into hiring them just because they talk with them. This at least gets you out there where you can hire one.

Councilor Baszler recognized Don Hadley.

Hadley said at the budget committee meeting he would like to have an auditor he talked with there to talk with everyone. Hadley said it's up to the Council to go out and talk to these people, not the citizens.

Councilor Barclay said it's up to Hadley to bring information to the Council more than three hours before a meeting.

Mayor Hampton (Aye), A. Kordosky (Aye), D. Barclay (Aye), E. Baszler (Aye), R. Clark (Aye), G. Shorey (Aye), G. Fortune (Nay). Motion carried 6-1.

7.0 COMMUNITY SERVICES

7.1 PTT Board Appointment

Motion: Councilor Fortune moved to appoint Jeff Smith and Marty Clark to the Parks, Trails, and Tree Board. Councilor Kordosky seconded the motion. E. Baszler (Aye), D. Barclay (Aye), A. Kordosky (Aye), R. Clark (Aye), Mayor Hampton (Aye), G. Fortune (Aye), G. Shorey (Aye). Motion carried 7-0.

Gordon said a local group has approached the City about adopting Osprey Park in order to keep it clean. He said with the Council's permission he would like to assign the development of how that process would work, about how you would go about adopting a park, to the Parks, Trails, and Tree Board and let them do that.

The Council had no objections.

8.0 POLICE SERVICES

8.1 Surplus Vehicles

Motion: Councilor Fortune moved to authorize the Chief of Police to surplus the 4 listed vehicles. Councilor Clark seconded the motion. G. Fortune (Aye), R. Clark (Aye), G. Shorey (Aye), D. Barclay (Aye), A. Kordosky (Aye), E. Baszler (Aye), Mayor Hampton (Aye). Motion carried 7-0.

Chief Gomez said formalized Requests for Proposal were sent out earlier in the week for the dispatch outsourcing. He hopes to have something to present to the Public Safety Committee at the meeting this month and to the Council at the next Council meeting.

Mayor Hampton asked if the police department was going to participate in the National Drug Take Back that was coming up. Chief Gomez said yes they were. He said they do the drug take back all year as well.

Mayor Hampton asked Chief Gomez if the Fall Family Fun Night was going to be Halloween night, October 31st, and not October 28th. Chief Gomez said yes, it will be held October 31st and the Dead Mountain Echo is going to help them get the correct date out to the community. The event is October 31st at the Willamette Activity Center from 6:00 p.m. to 8:00 p.m.

9.0 EMERGENCY SERVICES

No report.

10.0 REPORTS FROM BOARDS AND COMMITTEES

Administration - discussed the budget.

Community Services - rescheduled the meeting. It will be held Monday, October 10th at 11:00 a.m.

Public Safety – met on September 28th. The Dead Mountain project is complete and needs to be signed off by the state. A payment of \$147,500 needs to be paid but will be reimbursed. The dispatch outsourcing was reported already. EMS had repairs on vehicles in the last month or so. The rescue is still out of service for an engine overhaul. They are in the process of updating radios and pagers. LRAPA is reclarifying the definition of a recreational fire. The burning material must be seasoned wood, be two feet by three feet, and has to be at least 30 feet from the home in a circle or approved device. A question came before the committee about house numbers not being used. There is an ordinance concerning house numbers.

LCOG - searching for an executive director as theirs is retiring. He will be on a services plan through June. They are hoping to hire a new executive director July 1st.

Chamber of Commerce – no meeting.

Watershed Council - back to full staff. The change is the education coordinator is half that and half outreach. Should see an increased visibility of activity in this area.

LRAPA – advisory committee meeting on October 12th at the Willamette Activity Center in the Senior Lounge at 6:00 p.m. Agenda includes potential strategy for particulate compliance in the Oakridge area by 2014.

Rusty Ackland wanted to clarify that when she said the Chamber would go away that was if the Chamber received no money. If the Chamber received less money they would have to lay off the paid person. She just wanted to clarify that as she didn't know if that would affect the vote or not.

G.O.A.T.S. – meet Monday, October 10th at 6:30 p.m.

Tree Planting - meet Monday, October 10th from 5:30 to 7:00 p.m. The Kid Mountain Bike Day went very well.

Library - no report. The environmental review was approved.

OEDAC - meet Tuesday at Manning's Café at Noon.

Team Oakridge O.W.L. - meet Wednesday, October 12th at 4:00 p.m. at the School District Office.

Parks, Trails, & Trees - meet Thursday, October 13th.

ACT - meet Wednesday, October 12th. Councilor Fortune will fill in.

LEC - meet Monday, October 17th at the LCOG building on the 5th floor 11:30 a.m. to 1:00 p.m. Councilor Clark will go.

UBRA – no report.

HUB - no report.

Councilor Baszler asked Gordon if the gravel quarry is going. Gordon said they are finished with their exploration and are waiting for geologist reports. They have formed a company for the quarry operation called Stone Broke. The City is closing on the TV Butte sale and a check in the amount of \$123,000 will be seen shortly.

ADJOURNMENT: The Council adjourned at 8:47 p.m.

Respectfully submitted before the City Council October 20, 2011.

Signed: _____
Donald E. Hampton, Mayor

Signed: _____
Ruthann Plumlee, City Recorder