

**REVISED**  
**LA PINE CITY COUNCIL WORK SESSION AGENDA**

**Special Meeting and Work Session**

**Wednesday, May 25, 2011**

**6:00 pm**

51340 Highway 97, La Pine, Oregon 97739  
South County Building Meeting Room

**A. Special Meeting**

1. Call to Order

2. Roll Call

3. Approval of Resolution No. 2011-07

A Resolution repealing Resolution No. 2011-04, a Resolution declaring the Municipal services provided by the City of La Pine in order to receive State-shared Revenues.

4. Approval of Resolution No. 2011-09

A Resolution declaring the Municipal Services provided by the City of La Pine in order to receive State-shared Revenues.

5. Adjourn

**B. Work Session**

1. Call to Order

2. Roll Call

3. Pledge of Allegiance.

4. Added Agenda Items

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such other time selected by the City Council.

5. Federal Neighborhood Stabilization Program

- Redmond City Manager David Brandt

6. Discussion on Water and Sewer Districts Transition Issues

7. Discussion on Staffing

8. Other Matters

9. Public Comments

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 meetings. This notice does not limit the ability of the City Council to consider or discuss additional subjects. These meetings are subject to cancellation without notice. These meetings are 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 Patti Morgan at (541) 536-1432

# LA PINE CITY COUNCIL WORK SESSION MINUTES

Special Meeting and Work Session

Wednesday, May 25, 2011

6:00 pm

51340 Highway 97, La Pine, Oregon 97739

South County Building Meeting Room

## A. Special Meeting

### 1. Call to Order

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

### 2. Roll Call

City Manager Rick Allen

Mayor Ken Mulenex

Councilor Stu Martinez – absent per prior arrangement

Councilor Dan Varcoe

Councilor Adele McAfee

Councilor Don Greiner – absent per prior arrangement

Admin Ass't Patricia Morgan

**Quorum established.**

Mary Thorson led the Pledge of Allegiance

### 3. Approval of Resolution No. 2011-07

A Resolution repealing Resolution No. 2011-04, a Resolution declaring the Municipal services provided by the City of La Pine in order to receive State-shared Revenues.

**A motion was made by Councilor Varcoe and seconded by Councilor McAfee to approve Resolution 2011-07 a Resolution Repealing Resolution No. 2011-04 a Resolution declaring the Municipal services provided by the City of La Pine in order to receive State Shared Revenues.**

*Vote as follows:*

*Mayor Ken Mulenex*

*AYE*

*NAY*

*X*

*Councilor Dan Varcoe*

*X*

*Councilor Adele McAfee*

*X*

**Motion passed unanimously.**

4. Approval of Resolution No. 2011-09

A Resolution declaring the Municipal Services provided by the City of La Pine in order to receive State-shared Revenues.

**A motion was made by Councilor Varcoe and seconded by Councilor McAfee to approve Resolution 2011-09 as had been read by title.**

*Vote as follows:*

	<i>AYE</i>	<i>NAY</i>
<i>Mayor Ken Mullenex</i>	<i>X</i>	
<i>Councilor Dan Varcoe</i>	<i>X</i>	
<i>Councilor Adele McAfee</i>	<i>X</i>	

**Motion passed unanimously.**

5. Adjourn

**A motion was made by Councilor McAfee and seconded by Councilor Varcoe to adjourn the meeting.**

*Vote as follows:*

	<i>AYE</i>	<i>NAY</i>
<i>Mayor Ken Mullenex</i>	<i>X</i>	
<i>Councilor Dan Varcoe</i>	<i>X</i>	
<i>Councilor Adele McAfee</i>	<i>X</i>	

**Motion passed unanimously.**

Mayor Mullenex adjourned the meeting.

**B. Work Session**

1. Call to Order

Mayor Mullenex called the meeting to order.

2. Roll Call

- City Manager Rick Allen
- Mayor Ken Mullenex
- Councilor Stu Martinez – absent per prior arrangement
- Councilor Dan Varcoe
- Councilor Adele McAfee
- Councilor Don Greiner – absent per prior arrangement
- Admin Ass't Patricia Morgan

**Quorum established**

3. Pledge of Allegiance

Pledge was said during Special Meeting.

4. Added Agenda Items

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such other time selected by the City Council.

City Manager Allen stated a presentation by the Ford Foundation will need to be added. He said there will also be a discussion with Greer Mahr & Associates later in the meeting. Staffing was removed from the agenda.

00:05:52

5. Federal Neighborhood Stabilization Program

- Redmond City Manager David Brandt

Kelly Fisher, Home Ownership Manager for Housing Works, Cindy Clark, Executive Director for Housing Works, and David Brandt, Redmond City Manager, were involved in the discussion.

City Manager Brandt said that when the stimulus act was passed in 2008 it included the Neighborhood Stabilization Program due to so many foreclosures. There are two programs (Part A & B) in Oregon. Part A is a down payment and financing assistance and Part B involves acquisition of a rental property for people below 50% of the medium income. In Deschutes County the only two neighborhoods that qualified for the monies were Redmond and La Pine. He said they will contract with Housing Works who will be administering the program. City Manager Brandt said that La Pine needs to tell Housing Works, if they agree to accept the funding, where they need to do the projects and if they want to do both the A & B Programs or just one of them.

City Manager Brandt stated that La Pine would need to let them know which neighborhoods they want to concentrate on and which program they want to do. He said Redmond would be handling the financing portion of the program. City Manager Brandt said 15% of the monies would be spent in La Pine and that would be about \$500,000. Cindy Clark said that the monies would cover about 22 homes in La Pine. All homes must be bank owned homes. She said the grant would provide for a 20% down payment with a zero interest and second mortgage that is not amortized so it is free money until the homeowner refinances.

City Manager Allen stated that the neighborhoods in La Pine that are bank owned have a real problem with trash and other problems and complaints. In response to a question from Councilor McAfee, Cindy Clark said the homes do not have to be in the city limits of La Pine. Councilor McAfee stated that in the past La Pine had a relationship with Bend to get some housing related projects done with grant funding monies. She wondered what the status was on those projects.

Mayor Mulenex stated the Council needs to decide if they will do which program (A or B) and also if the City wants to contract with Housing Works and the City of Redmond for administration of the program.

41:59

There was a discussion on whether or not Bend had applied for some funds that may be targeted for La Pine. City Manager Allen stated he would check with the City of Bend just to clarify the situation.

Cindy Clark stated it might be a good idea to come to another meeting, later on, and discuss Housing Works and several of the resources the City of La Pine may qualify for either currently or in the future.

00:49:40

Ford Foundation Presentation  
- Carol Swenson

Ms. Swenson stated that the project for the City by the Ford Foundation would be a community event sign. She said any individual sign displayed would need to be paid for by the event or activity. Ms. Swenson said the sign would be kept up to date and maintained. She said the County has approved the sign and given them an exception as long as the City of La Pine owns the sign. The individual signs would be made of wood and all signs would have a consistent design. Ms. Swenson said the sign will be near the log cabin by the Visitor's Center. She said the sign will be light using solar lighting.

Mayor Mulenex recessed the meeting for five minutes. The meeting was called back to order.

01:06:33

Greer Mahr & Associates

Chris Mahr passed out a copy of a memorandum that had been prepared for the Council (their office assisted with the budget preparation for the next fiscal year). The memorandum said the current chart of accounts does not allow for separate self balancing funds. It also stated that all activity is included in one fund. It said to be in compliance with Governmental Account Standards, self balancing funds are necessary. Creating a chart of account which establishes separate funds is the first step. Mr. Mahr said they also observed that accounting transactions were not being recorded and/or are improperly recorded.

Chris Mahr stated (in the memorandum) that Greer Mahr recommended the City of La Pine research, evaluate and obtain software that can accommodate the budget entries, inclusion of water and sewer activities and provide adequate controls over accounting information. He said they recommend the City retain a professional experienced in evaluating and designing internal controls for accounting processes that will assist the City to implement changes which were reasonable and appropriate for its operation. Mr. Mahr said that with the acquisition of Water and Sewer would require a review of records to determine the value of the entity as a first step.

01:09:47

In response to a question from Council McAfee regarding a forensic audit, Mr. Mahr said that would not be necessary just an annual physical fiscal audit. He said the problem with Quick Books is it only works with one fund but multiple activities. Mr. Mahr recommended revising and creating a good chart of accounts. He said the accounting software named Caselle would be a good accounting method for the City. Mr. Mahr stated that there is not a good segregation of duties which is being able to separate the record keeping functions from the custodian of the assets.

City Manager Allen stated that there will need to be a City Recorder/Finance position. He said there would also be a City Manager/Public Works position. City Manager Allen said eventually the City

would no longer contract for the bookkeeping functions. He said the City Recorder /Finance position would be filled probably sometime in September and the new accounting software installed in October/November. Then around January 1, 2012 the new City Manager/Public Works position would be filled.

6. Discussion on Water and Sewer Districts Transition Issues

Mr. Mahr stated that a thorough audit should be done on the Water and Sewer District as they are being acquired so the City knows what they are working with regarding accounting for the Special Districts. Mayor Mulenex stated that this whole process is a result of City Manager Allen's work and has been very constructive.

7. Discussion on Staffing

The item will be done at a future meeting.

8. Other Matters

City Manager Allen stated that on June 22<sup>nd</sup> he will be off work. He said the 15<sup>th</sup> or 29<sup>th</sup> would work best for him. The Council had consensus to have the Work Session in June on the 15<sup>th</sup> at 6 pm. The Planning Commission will hold their meeting on June 15<sup>th</sup> at 4:30 pm.

City Manager Allen showed photos of massive trash on a lot in the City that has two vacant houses on the property. He said he contacted the finance company who said they will probably be taking it back. He said someone has been hired, by the owner, to clean up the property. City Manager Allen also discussed a metal shop on Cagle Road where a person is parting out parts from vehicles. He said the man doing the work lived in a trailer on the property but it was not hooked up to sewer. City Manager Allen said there were about five trailers on the property. The person living on that property said he is moving.

9. Public Comments

None

Mayor Mulenex stated they did a cleanup at Wickiup Junction on May 21<sup>st</sup> and several loads were carried off. He said a drop box has been put out there as well. Mayor Mulenex said he has contacted Gordy to use his sweeper to clean the City streets of debris. City Manager Allen stated they could contract with someone to clean the streets. Mayor Mulenex stated there will be a clean-up in a few weeks to do the south end of the City.

10. Adjourn

**A motion was made by Councilor Varcoe and seconded by Councilor McAfee to adjourn the meeting.**

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Ken Mulenex</i>	<i>X</i>	
<i>Councilor Dan Varcoe</i>	<i>X</i>	
<i>Councilor Adele McAfee</i>	<i>X</i>	

**Motion passed unanimously.**

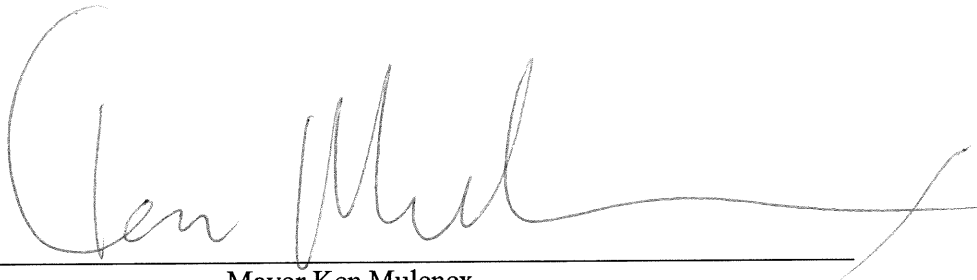
20. Adjourn

**A motion was made by Councilor Varcoe and seconded by Councilor McAfee to adjourn the meeting.**

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Ken Mullenex</i>	<i>X</i>	
<i>Councilor Dan Varcoe</i>	<i>X</i>	
<i>Councilor Adele McAfee</i>	<i>X</i>	
<i>Councilor Don Greiner</i>	<i>X</i>	

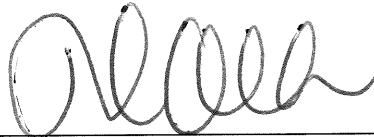
**Motion passed unanimously.**

Mayor Mullenex adjourned the meeting at 8:14 pm.



\_\_\_\_\_  
Mayor Ken Mullenex

Attest:



\_\_\_\_\_  
City Manager/Recorder Rick Allen