

LA PINE CITY COUNCIL SPECIAL MEETING AGENDA

Friday, January 29, 2010

Special Meeting 11:00 am

51340 Highway 97, La Pine, Oregon 97739

South County Building Meeting Room

1. Call to Order
2. Establish Quorum
3. Pledge of Allegiance
4. Resolution # 2010-02
Resolution concerning application fee
5. Resolution #2010-03
Resolution concerning Approval or denial.
6. Discussion of Needs of the City
Range Rider, Roger Jordan
7. Public Comments for Items not on the Agenda
8. Staff Comments
9. Council 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 meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. The meeting is subject to cancellation without notice. The 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 CITY COUNCIL SPECIAL MEETING MINUTES

Friday, January 29, 2010

Special Meeting 11:00 am

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

1. Call to Order

Mayor Shields called the meeting to order at 11:05 a.m.

2. Establish Quorum

Roll Call

Present Were:

Mayor Kitty Shields

Councilor Doug Ward

Councilor Barbara Hedges

Councilor Adele McAfee

Councilor Don Greiner

City Attorney Jeremy Green

City Recorder Luana Damerval – absent for this portion of the mtg by prior arrangement

Admin Ass't Patricia Morgan

Quorum established.

3. Pledge of Allegiance

Councilor Hedges led the Pledge of Allegiance.

00:01:45

4. Resolution # 2010-02

Resolution concerning application fee

City Attorney Green stated that the Application Fee Resolution concerns the application fees that an applicant must pay when submitting an application for tax exemption under the City's low income rental housing program. He said the fees are, he believes, identical to the fees being charged by the City of Bend. City Attorney Green stated there is a separate fee as it relates to the Assessor that is \$200 and the City of La Pine is \$500 making the total application fee \$700.

Mayor Shields stated that the information was e-mailed to the Councilors last night and asked if they had a chance to review it. Councilor Hedges took a couple of minutes to look over the materials and then the discussion continued.

Mayor Shields stated she had read over the information and she is fine with it and it is also something we need. City Attorney Green stated that this resolution is required under both State law as well as our tax exemption program. Mayor Shields stated that once we establish this resolution it will be there for the next person that applies for a tax exemption. City Attorney Green stated that we will discuss the conditional approval or denial of the application during the next agenda item.

Mayor Shields stated that she would read the entire Resolution 2010-02 because City Recorder Damerval was unable to be at this portion of the meeting. She then read the Resolution in its entirety.

A motion was made by Councilor Ward and seconded by Councilor Hedges to adopt Resolution 2010-02 titles of which has already been read

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Kitty Shields</i>	<i>X</i>	
<i>Councilor Doug Ward</i>	<i>X</i>	
<i>Councilor Barbara Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	

Motion passed unanimously.

00:08:37

5. Resolution #2010-03
Resolution Concerning Approval or denial.

City Attorney Green stated that this resolution concerns the Council's review of the application submitted by Little Deschutes Lodge Limited Partnership. He said the resolution concerns a conditional approval of the low income rental housing tax exemption application that was submitted to the City. City Attorney Green stated that the resolution also contains findings as it relates to the extension for completion of construction. He said the construction was not completed on January 1, 2010, when required, but the reasons for that delay are articulated under Resolution 1. City Attorney Green has extended the completion of construction through March 15, 2010 in the Resolution. He said there is no definition of what constitutes completion in the Statue and he is comfortable with tying it to the certificate of occupancy. Mayor Shields stated that she does not mind tying this to the temporary certificate of occupancy.

There was a brief discussion regarding the moldy trusses that Little Deschutes Lodge had received during construction and that had to be replaced. Because of this occurring, the completion of construction was significantly delayed.

In response to a question from Councilor Ward, Mr. Rob Ray, Partner of the Pacific Crest Affordable Housing LLC., stated that they have rented out all of the units and the intention is to have people start moving in on February 9th. He also said he was confident that the work could be done by the June 1st date. Mr. Roy stated that the June 1st date was selected because it is related to the opening of the ash pit which contains some of the asphalt materials that are needed to complete construction.

Rob Ray suggested that the date be changed to June 1st to coordinate with the temporary certificate of occupancy. Rema Wilson, Project Manager, said they would have to notify the County by April 1st to receive a tax exemption from them. Rob Ray said if this tax exemption does not get extended permanently by the State than they run the risk of not having tax abatement for 20 years which would be devastating.

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In response to a question from Councilor Hedges, Rob Roy stated there is no risk to the residents if the asphalt is not completed prior to their occupancy. Councilor Greiner stated that if the trusses contributed to the delay by say two months that would have resulted in other parts of the building not being completed on time.

00:34:31

City Attorney Green stated that he could draft language in the resolution that would allow Little Deschutes Lodge to take advantage of this upcoming tax year as long as they were able to get the certificate prior to June 1st, probably by the third week of March.

City Attorney Green further stated in reading State Statue 307527 sub 1&2, that we could go ahead and provide this conditional approval subject to the actual permanent certificate of occupancy but still certify it to the Tax Assessor. He said what the City would certify is our conditional approval.

Rob Ray stated that it has been a very difficult time with mold due to the recession because of wood being stored outside for long periods of time. He said all of the moldy wood got put into the trusses before it had been shipped. Rob Ray said their contractor immediately noticed the moldy wood when the trusses arrived and rejected them.

Public Comment

Vicky Jackson, area resident, stated that she loves the project and La Pine definitely needs one or two more of these housing projects. She said does the City know roughly what taxes they are waiving by signing this agreement. City Attorney Green stated that the City's portion is \$513. Mr. Rob Ray stated the housing project is taxed according to a specially assessed value based on an income approach.

City Recorder Damerval came into the meeting at 11:50 am due to being absent by prior arrangement.

Mayor Shields than read the Resolution 2010-03 by title.

A motion was made by Councilor Ward and seconded by Councilor Greiner to adopt Resolution 2010-03 subject to appropriate legal revisions and giving Legal Counsel Authority to make those revisions and giving the Mayor authority to sign the completed document.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Kitty Shields</i>	<i>X</i>	
<i>Councilor Doug Ward</i>	<i>X</i>	
<i>Councilor Barbara Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	

Motion passed unanimously.

Mr. Rob Ray thanked the Council for doing this on such short notice and said without their support from day one it would not have moved forward. He also discussed Phase Two of the affordable housing project. Mr. Ray said they plan to make an application for Phase Two and build 28 more housing units at Little Deschutes Lodge. Rob Ray said approximately 40% of the people moving into the Lodge are technically homeless. Mr. Ray also discussed the need for the State of Oregon to approve the extension to the Bill in the legislature. He said this allows his company to be on a level playing field with the nonprofit sector.

Councilor Ward excused himself due to a prior commitment at 12:02 pm. Mayor Shields recessed the meeting until 12:10 pm

2/16/2010

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Mayor Shields reconvened the meeting at 12:15 pm. All Councilors and staff were in attendance except for Councilor Ward who had to leave due to a prior commitment.

6. Discussion of Needs of the City
Range Rider, Roger Jordan

Roger Jordan, Range Rider, explained that the Range Riders work with cities in Oregon to provide information to them, particularly regarding city management and general city administration. Mr. Jordan stated he managed the City of Dallas for 25 years. Bob Wells, Range Rider, introduced himself and spoke briefly about his experience in city management and budget officer for the City of Salem. Mr. Jordan stated that they work for the League of Oregon Cities (LOC) and volunteer for the City Manager's Association and help new cities or existing cities. He said his area of responsibility as a Range Rider is Central and Southern Oregon. Bob Wells stated that they are teaching a lot of classes through LOC and sharing their city management experience. He said they are here to offer their experience but not to tell the Council what to do because what worked in one city may not work in another city.

Mayor Shields stated we have great citizens in La Pine but we have a few citizens that do not seem to allow the City to make any mistakes. She said they want to avoid making any more mistakes than possible but it is difficult because of starting up a new City. Mr. Jordan said there are many retired City Managers in the Bend area that may be hired as consultants or in a part time capacity for the City of La Pine.

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In response to a question from Mayor Shields regarding what the first things a City Manger looks for to guide them in their job, Bob Wells stated that first thing he would look at the budget. He said he would look at the last three years of audits, and he would look at the current budget and see what the financial stability is, are they spending more than they are bringing in for example. Mr. Wells said that the City of La Pine's financial situation, from just briefly reviewing it, looks pretty good. Mr. Jordan also said that the City Manager would want to know why the incorporation occurred and what functions City Hall needs to provide.

Mayor Shields stated that the reasons for the incorporation were to maintain our small town feel and to get local control so the County is not controlling our destiny. Mr. Jordan stated some of the first things are why we are here and what do we have to do and what is the structure to accomplish those things. He also said that staff can do the required functions under Oregon law but they normally are not managers of systems.

Mr. Wells stated that the City needs to have a vision of what they want the City of La Pine to look like in twenty years. Mayor Shields stated that it became clear early on that incorporation would not pass if the tax rate was \$2.00 or over.

Mr. Jordan stated that many cities use a part time City Manager so that the City Attorney does not have to attend all the Council Meetings and can perform other duties. He said the City Manager would assist because a lot of elected officials are not experienced in running a meeting. Mr. Jordan stated for example that the planning consultants may cost \$150,000 but you could do that for \$50,000 by hiring a retired planner who would be significantly less costly.

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Councilor McAfee stated that she feels that we are running the City like a small business and we do not know how government runs and that the Range Riders could help to lay the groundwork for someone coming in to a managerial position. She said that Council perceives the power in the running of the

administration but they do not see how the power is in the policy making. Councilor McAfee said that, in her opinion, there is constantly this inappropriate administrative influence. She also said that currently our administration does not have a lot of experience and I think that is where I see the problem originates. Mr. Jordan stated that larger cities have that person that helps them define things like when the City Attorney is necessary at a Council Meeting so you do not have legal fees of \$130,000 a year for a small city. Mayor Shields stated that we need our attorney at every meeting because we are working on new policy and need that guidance. Mr. Jordan stated that an experienced person can help get some of this administrative work done and can also work with the City Attorney to make it easier for him so he will not have to run the meeting. He said he agreed with Mayor Shields that the City has heavy introduction work to do and so needs good legal advice because of a lack of structure. Mr. Jordan also said he was impressed that the City's attorney was also providing legal services for other cities and had lots of experience.

01:32:28

Mayor Shields stated that structure is an ongoing thing for us. She said we don't even know what all should be here. Councilor McAfee stated that the Council just went through a month of meetings to discuss even if we needed a City Manager. She we have to acknowledge the fact that we don't always know what to do but we cannot always rely on our legal counsel to fill in every single gap, it is not appropriate. Councilor McAfee said that the community is upset about our large legal fees.

Roger Jordan stated that they do a study discussion with the Council to determine if they need a part time or full time City Manager or Administrator. Bob Wells said that it sounds like they need someone to offer some guidance and some options and who also has experience. Councilor Greiner stated that it sounds like they should be looking at hiring a retired City Manager to come in and perhaps even depend on that person to help write the City ordinances. Mr. Jordan said the Council could identify what are the five things we need to do for the next year and who is best to do it and use consultants and attorneys, but also have staff perform the necessary work. Mr. Jordan said you would have to define what the staff now is doing and is that the most important thing that you need them do and does that meet their needs.

Councilor Greiner said it sounds like after Mr. Jordan and Mr. Wells talk to the staff members and find out what they think their job is, they would come back to the Council and ask them is this what you want this staff person to do, etc. Mr. Jordan said the worker bee people are what you need. Bob Wells recommended the Council have conversations with other cities that have part time City Managers. He also said, if there are a lot of immediate tasks for a City Manager you may need to hire a full time person. Mr. Jordan stated that if the public wants to comment during the Council meetings it is important to listen to them but you can put a five minute limit on them.

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Roger Jordan stated that the nonresident business owners have a big right to participate at Council meetings because they vote with their property taxes. Bob Wells suggested bringing someone in full time for about a year to establish ordinances, policies and get a structure set up. He said it all depends on what the Council needs from this person and also evolving relationships within the community. Roger Jordan stated that he recommends having a professional come in and look at everybody and then talk with the Council after their review. He said he was shocked at the size of the legal bill, the Council needs to figure out how they can better utilize their staff people better. Mr. Jordan stated you have to look at staff and if they are doing the highest priority work that needs to be done. He said you need the type of staff for the specific type of work.

02:00:50

Mayor Shields stated that we have citizens that are expecting us to perform like an established City and we have a small budget and it was meant to be a bare bones budget because of our maximum tax rate. She said what happens if we get a Manager and get the big tasks done that we have in front of us and then it tapers off and then what does the Manager do with no departments to manage. Roger Jordan stated that you can get qualified City Manager's who would work for 2-3 years on a contract basis.

Councilor Greiner stated he is not against hiring a City Manager but wants that person to know exactly what we need them to do. Councilor McAfee stated that we have to open our doors more than twenty hours a week and really utilize the administrative staff we now have at City Hall. Bob Wells said you have an attractive job for the right person because a lot of people would find it challenging. He said you are a brand new city and some cities starting up just become contract cities and contract out for their legal services and hire out for a contract city administrator so you do not have to add a lot of staff to the organization. Bob Wells said you also have to bring the community along with you.

02:08:08

Mr. Jordan recommended having someone come in and define where you are and what is the best way to move ahead before you spend a lot of money hiring a full time manager and not really knowing what this manager will be doing. He recommended someone who has managed a small city. Mr. Jordan said in today's economic world and particularly for the Bend area there are so many retired professional people living in the area. Mr. Jordan said people first want their government to not be broke. He said a study would look at can you afford another staff person and how are you going to pay for it. Mr. Jordan said he will talk to the League of Oregon Cities and see who they would recommend to help the Council get started before hiring a City Manager.

City Attorney Green stated that the City of La Pine needs someone that can come in on the ground floor. He said that might be an opportunity for a City Manager to say they were part of the development of a new city. City Attorney Green stated that he agreed with most everything that has been said. He said if we brought on someone with experience it would probably greatly cut down on the cost of legal services. City Attorney Green stated because of the City Recorder's lack of experience and training, he has to discuss things with her that he does not need to discuss with other cities. He also said he would recommend a part time consultant who has the experience and can gap fill and deal with a lot of the day to day stuff without having to involve him. City Attorney Green said ultimately things will be completed quicker and costs will be much less for the City.

02:16:20

Mayor Shields stated that she has always felt that what the City was missing is that person who can be there to help us set-up and also knows how to identify what we are missing. Mr. Jordan stated that it is not just the staff; the City also has new Councilors that do not have a lot of Council experience. He also said you need to pick a person that can do the actual work. Councilor McAfee stated that the person needs the authority to do things and also not be managed by the Council or staff.

02:25:12

Bob Wells stated that the State of Oregon Internal Revenue Service puts on a very technical class on preparing a city budget. Mr. Jordan stated that he and Bob teach a course on preparing the budget. He said the course covers what is different with a budget in the public sector, what is the Council's responsibility and what is the Budget Officer's responsibility in the public sector.

02:28:36

Mayor Shields stated that what we want is a small town feel with low density. Mayor Shields stated that they are working on the BLM land transfer and also on the roads in the Cagle subdivision. Mr. Jordan stated that for the Council to be asking questions and get along with one another is the single most important thing. He said democracy has to be civil especially at the Council level, as a group you have to move ahead.

Councilor Greiner suggested that when we get to something controversial we should have a public meeting. Mr. Jordan stated that at the City of Dallas, they would have a Charrette where City Hall would

open their doors and people would come in and have an informal discussion with Council members and staff. He also said it is important to train yourself, train your staff and spend some money in that arena. Mr. Jordan stated that in the world of big business people expect you to run the right way and even one mistake could mean a lot more money.

02:48:19

7. Public Comments for Items not on the Agenda

None

8. Staff Comments

None

9. Council Comments

Councilor Hedges stated that she was very happy with the presentation and having an opportunity to re-think things. Councilor McAfee stated it was good to formalize a direction because we are now all in agreement for the training and recommendations. Mayor Shields stated that we are waiting to see what the League of Oregon Cities will recommend. Council had consensus on temporarily holding off on creating the City Manager job description but also taking a step forward in a new direction. Councilor Greiner said we can always make a provision in the 2010-2011 budget to hire an administrator or manager. He said he learned a lot today. City Attorney Green stated that the City could hire a City Manager on board by July it just depends on how quickly we could get a consultant onboard and also what is recommended to the Council. Mayor Shields said that the Council will be part of the budget process to consider funds for additional staff. City Attorney Green stated that if you do not need me do not use me. He also said on many occasions he has just written off fees. Councilor Greiner stated that according to Council rules, City Attorney Green is the parliamentarian for the meetings and needs therefore to be in attendance.

02:53:21

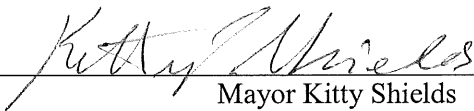
10. Adjourn

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

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Kitty Shields</i>	<i>X</i>	
<i>Councilor Barbara Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	

Motion passed unanimously.

Mayor Shields adjourned the meeting at 2:10 pm.



Mayor Kitty Shields

Attest:



City Recorder Luana Damerval