

GOAL SETTING SESSION MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
JANUARY 30, 2010

MEMBERS PRESENT:

Lon Kellstrom Mayor
Bill Merrill Council President
Sharlene Weed Councilor
Pat Thompson Councilor
Jerry Bogart Councilor

STAFF PRESENT:

Eileen Stein City Manager
Brad Grimm Pub Works Director
Lisa Young Finance Director
Eric Porter Planning Director
Kathy Nelson City Recorder

GUESTS:

Roger Jordan Facilitator
Bob Wells Facilitator

The meeting was called to order at 9:00 a.m. by Mayor Kellstrom

I. OVERVIEW OF AGENDA

Mr. Jordan reviewed the agenda and asked for any changes. There were none.

II. REVIEW 2009-013 GOALS AND OBJECTIVES

Mr. Jordan asked if there was any need for discussion about the 2009-13 goals and objectives, or any need to change any of them. There were none and the **Council** concurred with the goals and objectives as stated.

Councilor Thompson asked about Mr. Well's financial analysis and when the Council would be discussing the analysis as he did not see it scheduled on the agenda anywhere. **Manager Stein** replied it would be part of the next agenda topic.

III. BUDGET CONTEXT FOR FY 10-11

Manager Stein referenced the five year projections for the General Fund and Street Fund that had been provided to the Council. She referenced the financial assessment that Mr. Wells had prepared and requested Mr. Wells review his conclusions.

Mr. Wells observed that the General Fund and Street Fund have become intertwined as a result of the transfers that are made from the General Fund to the Street Fund each year. He stated the Council needs to think about what will happen if the referral of the local gas tax fails at the March election. He commented on the level of contingencies and reserves the City has in the General Fund and noted that the Street Fund has no contingencies at all. **Mr. Jordan** added that

the City should have three levels of protection in the General Fund, a cash flow (or working capital) reserve and a contingency. He explained these are both short term reserves that are budgeted within the General Fund and then rebudgeted each year. The third level of protection is commonly called a '*rainy day fund*' and is a reserve from which to draw during times when revenues are not expected to match expenditures. Rainy day funds are budgeted in the Reserve Fund.

Councilor Weed stated she would like to see a report that outlines what the effect would be on the General Fund of having to support the Street Fund for three more years.

Councilor Merrill suggested and **Councilor Weed** concurred, it would be good to have staff bring the Council some recommendations on the appropriate levels for a working capital, contingency and rainy day reserve. The **Council** discussed these reserves and continued to ask questions of Mr. Wells and Mr. Jordan about how they work.

Mayor Kellstrom summarized the discussion and asked staff to investigate the creation of a contingency in the General Fund (composed of working capital and contingency) and a rainy day fund; and for staff to recommend the appropriate amount of money to budget in each of these. The **Council** concurred. **Councilor Merrill** stated he would like to have staff also explain its rationale for the recommendations it will make.

Mayor Kellstrom also asked the Council whether a policy should be created that requires operating expenses not to exceed operating revenues. **Councilor Weed** suggested establishing a target amount for beginning fund balance every year.

IV. PRESENTATION OF DEPARTMENTAL WORKPLANS

Each of the department directors took their turns presenting a proposed work plan for their departments for FY '10-11. The work plans were presented within the context of *being left to their own devices* what they would do. The **Council** asked questions and discussed the work plans as they were presented.

With respect to the Public Works Department work plan, **Councilor Thompson** asked why it did not indicate that the department would be working on improving the ball fields for Sisters Little League. He stated it had been discussed last year and wondered what happened to this request. **Manager Stein** stated she did not get an indication that it was a project of interest to the Council as a whole. **Councilor Weed** stated when was unaware of this request and asked for more information about the project.

Director Grimm stated he had had some preliminary conversations with the School District about it, but had not pursued it and was waiting for something more to come from the district. **Councilor Thompson** stated he thought there was enough awareness and asked if this topic could be scheduled for a workshop. **Councilor Merrill** felt that if it was something the district wanted the City to do, a formal letter of request could be presented to the City Council as other matters are done from time to time.

V. PRIORITY SETTING: ESTABLISHING PRIORITIES FOR FY 10-11

After hearing the departmental proposed workplans, **Mr. Jordan** asked the Council to discuss what the Council's priorities were.

Councilor Merrill stated he was pleased with what was presented by staff. The only thing missing was a sense of what their priorities are. He would like staff to prioritize their workplans and then come back to the Council and see what happens.

Councilor Bogart commented on Goal #3 *"To support our citizens through diverse economic sectors that reflect their identity, values and interests, and to provide for their well being."* He stated this needs to continue to be a priority for the Council going into FY 10-11. **Councilor Weed** concurred and added programs like the Neighborhood Stabilization Program, and economic stimulus programs for weatherization, and even the City's new utility assistance program all fell under this goal category too, things that make it easier for residents to balance their monthly budgets.

Councilor Thompson complimented staff for its focus on economic development over the past year. He stated that the feeling at City Hall is now one of approachability, promptness and professionalism. He stated he would like increased communication in advance as to what is being done, why, what, where and how.

Councilor Weed stated she would like more information about the bank repair associated with 370 Timber Creek. She would like to know what basis was used for the City helping to pay for the cost of that project and wondered about the precedent associated with it. She would like to see the written materials (i.e. letters and notices) coming from City Hall be modified so they are easier to read and more understandable to the general public. She wondered whether the Committee for Citizen Involvement (CCI) members could help review drafts before they go out.

Other projects she would like to see are:

- Park Master Plan and the creation of a Parks Commission
- Implementation of the Housing Plan strategies
- Development Code update completion
- Continued pursuit of economic stimulus funds
- More public art
- Locust/Hwy 20 and Barclay/Hwy 20 roundabout feasibility study
- Strengthening public involvement, as the CCI doesn't seem to be working as it should

She complimented staff for all the great work done in 2009.

Mayor Kellstrom stated that he assumed the priorities for FY 09-10 that are not completed will roll forward into FY 10-11. He did not have specific comments on the department workplans, other than to say that they will all have to be considered within the budget framework. He suggested a review of the Comprehensive Plan might be a lower priority than other tasks

proposed by the Community Development Director. He stated that much is unknown about the future of the economy and it is important that the City live within its means.

After hearing from the Council, **Mr. Jordan** highlighted Mayor Kellstrom's remarks and suggested not doing a traditional exercise where priorities are identified. The **Council** concurred. He asked Manager Stein if she had the direction needed to begin preparing the FY 10-11 budget. **Manager Stein** stated she thought so and summarized the direction she heard from the discussion:

- It should be a minimalist budget
- The City should live within its means - keep revenues and expenditures balanced
- Establish working capital, contingencies and rainy day reserves
- Establish work plan priorities within the context of the budget, after reserves are established
- Focus on things that 'need' to be done
- Continue a focus on economic development and helping residents to 'make ends meet'
- Make strategic investments (i.e. productivity, training, create opportunities for the City)

The **Council** concurred with the summarization.

VI. ADJOURN

The goal setting session ended at 12:00 p.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor