



## Harrisburg City Council Minutes February 26, 2014

The Harrisburg City Council met on this date at City Hall, located at 120 Smith St., at the hour of 6:30PM. Presiding was Mayor Robert Duncan. Also present were as follows:

- Kimberly Downey
- Don Shipley
- Mike Caughey
- Robert Boese
- Sarah Puls
- Youth Advisor Garrett Ross
- City Administrator Brian Latta
- City Recorder/Asst. City Administrator Michele Eldridge
- Community Development Superintendent Tim Bunnell
- Finance Officer Tim Gaines

Absent this evening was Councilor Roger Raven.

### The Matter of Discussing the 2012-2013 Fiscal Year Audit Report

- Since the auditor was not yet present, Puls **motioned to table this issue, which was seconded** by Shipley. **The City Council then voted unanimously to approve tabling this issue until later in the meeting.**

### The matter of Reviewing and Approval of the Explanatory Statement for the May 2014 H.A.R.T. Levy Ballot Measure.

**Staff Report:** Latta told the City Council that explanatory statements are typically seen in the voters' pamphlet, but unfortunately, Linn County will not be doing one for the Primary Election. However, they are willing to post the explanatory statement on-line, and we will do that as well. It is required to be non-advocacy. Our City Attorney had a few suggested revisions to what you see in the agenda bill, and you have it in front of you now. (Please see Addendum No. 1). It describes what the levy is for, talks about the services provided, and what kind of an impact there will be on property taxes if it is passed, and what happens if the levy fails.

Puls thought it should state why we are asking for funding; for instance, it doesn't say anything about the fact that they've been steadily losing funding. Latta said he could do that, and Caughey thought it was a good point. Latta said that he'll put it in a way that shows that the program had received funding from the state and county, which has steadily diminished.

*Council consensus was to make the changes to the explanatory statement, and bring the statement back for Council approval at the next meeting.*

The matter of Continuing Discussion and Providing Direction to City Staff on Funding for H.A.R.T. in the Absence of a Levy.

**Staff Report:** Latta noted that we had previously been discussing a worst case scenario, at a 50% reduction from what we've given historically to the H.A.R.T. Center. That was \$15,000, if there was no other funding available, which would only supply the H.A.R.T. Director with 10 hours a week. Council wasn't happy with that scenario, so we went back and reevaluated what we could do. The result was that we could support a director at 20 hours a week. The director will be PERS eligible at those hours; the agenda has the analysis on the different PERS levels. That would be \$15,000 from the City's general fund, and assuming that they will have the other \$15,000 in grants. If they were to come up with more revenue, then hours could be increased.

- Downey asked if the Director would be eligible for health care benefits.
- Latta told her no, they wouldn't be.
- Shipley then **motioned to direct City staff to initiate the recruitment for the H.A.R.T. Director Position, as described in the Agenda Bill. He was seconded** by Caughey, and the **City Council motioned unanimously to start the recruitment for the H.A.R.T. Director Position using 20 hours a week.**

The matter of Discussing the 2012-2013 Fiscal Year Audit Report

**Auditor Report:** Steve Tuchscherer, from the City's auditing firm of Steve Tuchscherer CPA, Corp, had arrived. He directed the Council to the copy of the Independent Auditor's Report in the audit material. (Page 1a). This is a new report required by GASB. In summary, they must first assess their own risk as auditors. They then assess the City's risk. Ultimately, there were no material misstatements, and everything the City did, they did with permission as required. They also have to assess internal controls, and report back if there are any significant deficiencies. There are none at this point. Cities the size of Harrisburg have small staff's, and there are challenges in separating duties, which is a standard process with internal controls. He went over the steps that they take when auditing the City.

- Boese asked if they dealt with everything electronically.
- Tuchscherer told him mostly, yes. He went into more detail on what the auditors have to do. In terms of compliance stuff, their role has exploded. He did point out that a significant estimate on the report is for capital assets. Those are based on values, of actual and estimated historical amounts. Tim Gaines does a great job in keeping track of capital assets. He's very good at asking questions when he does anything, which is a great thing to do. The general fund increased marginally. One of the comparisons that they do is to look at the ending fund balance in comparison to total revenues that fund generated. The ending fund balance of a general fund should be within 5% to 15% of total revenues, and the ending fund balance of the general fund is 55% of the total revenues of the fund, which is just the right position to be in. The City has handled everything according to the law, when looking at expenditures, appropriations, and public processes. The City Council should be monitoring the financial reports when you

get them, and should question anything that seems out of line. That doesn't mean that you dive into the detail, or micromanage anything, but you should look at what's provided. The other part is that you need to understand and know what internal controls we have. For instance, if you haven't been audited for three years, you have a problem! You might want to have the City Administrator review the bank reconciliations or it can filter down through staff.

- Downey felt that part of what she felt was a control, is in the agenda bills. We list the source of funds. We didn't always have that, and to her, that's monetary controls.
- Tuchscherer suggested that we develop policies and procedures in terms of controlling funds. It can be a useful tool.
- Downey thought maybe we could do that this year.
- Tuchscherer suggested that he could help, or the CWCOC could also help. What Harrisburg is doing is adequate. There is nothing wrong with what you are doing now. He went on to say that the most significant change in government financial reporting is in unfunded PERS liability. It won't impact your budget, but it will impact your statement. It's a big ugly negative number. A lot of auditors', cities and school districts aren't happy with those changes. The financial statements have been presented fairly. The management discussion and analysis gives a decent overview of the City's finances. He encouraged the City Council to read that, if nothing else.
- Caughey asked if the trees in the plantation at the wastewater facility were considered capital assets or not.
- Tuchscherer said off the top of his head, he doesn't know whether they show up or not. His guess is that they don't.
- Caughey said if you don't account for it, how do you get it?
- Tuchscherer told him that with capital assets, there is no requirement to do anything. There is a lot of confusing information in these reports; he would encourage them to look at the notes, because it can help clarify a lot of things in regards to policies and details.
- Gaines said that there was no letter from the state this year.
- Tuchscherer told the City Council that we get audited by the Secretary of State's Office. They do a great job, but some of what they do is ridiculous, such as being told that there shouldn't have been an underline on the report somewhere.
- Gaines said that with our previous auditor, we had 3 to 4 days of audit. Steve's firm does most things electronically, on a quarterly basis, which speeds up the process. It's nice to do things over the year, rather than in 4 days at one time.
- Tuchscherer said that was the old school way of auditing. This is risk based auditing, which is far superior to that. It's easy to get distracted by details, and miss the big stuff. That's always a risk.
- Boese then **motioned to approve the 2012-2013 City Financial Audit Report, and was seconded** by Caughey and Shipley both at the same time. **The City Council then voted unanimously to approve the 2012-2013 City Financial Audit Report.**

**At the hour of 7:30PM, the City Council recessed so that the HRA Board could hold their meeting with the auditor. The City Council resumed their normal session at 7:34PM.**

A Discussion with Sergeant Brad Kelley of the Linn County Deputies.

- Sergeant Kelly said that there wasn't a lot going on, but they did make one arrest; that was a juvenile.
- Bunnell said it hasn't been fun the last three weeks, but they are handling it. (In reference to vandalism the City has recently had in the restrooms.)
- Downey asked if he thought it was the same group or not.
- Sergeant Kelly said it's probably just different kids. He said in other news, they are dealing with a dispensary for marijuana, right on Main Street in Brownsville. It's in the process of being approved now.
- Latta said he was aware of that. Luckily, in our business licenses, we specially have stated that the businesses can't violate federal law. Medford said the same thing, and they are being sued. He sent an email to our senators, letting them know that we are in favor of legislation that will prevent that sort of thing; since it's sort of an abuse of our cities to not allow us to follow our own laws. He's grateful that we are not one of the first cities being challenged on that law.

The matter of a Resolution Accepting a Mini-Grant from the Oregon Library Association

- Shipley **motioned to approve Resolution No. 1065, "A RESOLUTION APPROPRIATING GRANT FUNDS FROM THE OREGON LIBRARY ASSOCIATION TO THE HARRISBURG PUBLIC LIBRARY."** He was **seconded** by Downey, and the **City Council then voted unanimously to approve Resolution No. 1065, and therefore appropriating the funds for us in fiscal year 2013-2014.**

The matter of Discussing the Purchase of a Reader Board Sign for the City to be Located on S. 3<sup>rd</sup> St., South of LaSalle Street.

**Staff Report:** Latta said that you can see the two companies in the agenda bill for this project. One company, Stewart Signs, is in Florida. The other company is in Washington; that's GoBriteLED. Both signs are roughly close to the same size; both have the Welcome to Harrisburg, and the City logo at the top of the sign. This sign will be installed in the same location as the last one; we do have electricity to that location.

Mayor Duncan was worried about durability. The City Council was a little worried about the warranty, and the possibilities of someone shooting the sign, which is what happened to the last sign. Damage from shooting is not covered under either warranty. Shipley said that he was a little concerned about people slowing down before LaSalle to read the sign. Does anyone think that's the safest place to put the sign? Boese asked if he had another location in mind, but Shipley didn't. He was just asking. He wondered if Sergeant Kelly had any thoughts about that. Sergeant Kelly told him that he'd rather have them read that sign than texting or using their cell phone. Mayor Duncan thought having it there might slow people down a bit; which is what we want. City Council asked about maintenance. Latta told them that since Go Brite is in Washington, it might make that a little easier for us.

Caughey asked if we would have Erickson's install the electricity there for the sign, but Bunnell told him that we'll use the City electrician, since we've worked with him so much. The City Council discussed the number of lines, and size of font, and Kay Barnett in the audience, said that you should have large enough font to be able to read it better. Shipley asked if there was something more local, such as in Oregon. Latta said that he didn't see much out there. He went to companies with reader board signs, and asked them who they used. There are very few businesses that do this type of manufacturing.

Puls was in favor of using GoBrite, as was Boese, and Shipley. They liked that it was more local than the other company. Boese and Mayor Duncan both thought that Latta could get them to modify the price and knock some more money off the bid.

- Caughey then **motioned to Authorize Staff to purchase a reader board sign from Go-Brite LED, consistent with the proposal, with the exception perhaps on installation and other mounting devices that the Public Works crew may install instead. He was seconded by** Shipley, and the **City Council voted unanimously to approve the purchase of the Reader Board Sign with Go-Brite LED.**
- Boese asked about the other end of town. When we will get a sign for that?
- Bunnell said that we can come back to you about that.

#### **Others:**

- Latta told City Council about the Rural Communities Explorer training session coming up on March 8<sup>th</sup> at the Junction City Public Library. If anyone is interested in that, please see either him or Eldridge.

#### LOC Essay: "If I were Mayor, I would...."

- Latta was planning on running this competition for local elementary, junior high, and high school students. The winners of the contest get to go to the state. He's interested to see what the high school aged kids comes up with, since video and PowerPoint is all allowed.

#### H.A.R.T. Election Local Option Levy

- Latta said that we've been approached from people in the community, who said that they wanted to financially help H.A.R.T., and help substantially, but they don't necessarily want to do it unless they have to. Because of this, we are still going out for the levy.
- Downey thought that goes to show you how much the community wants it.
- Latta says that estimated property taxes are better than expected, and we've been getting some good signs. It's still a necessary action we have to take, but we are looking in better shape than we anticipated.

#### R.R.F.B.'s

- Latta had finally heard back from ODOT on the RRFB's. They have given us the green light on pursuing the flashing lights. We are restricted to only one leg of the intersections, so we're restricting it to the south side of the intersection as a

recommendation. They gave him some funding opportunities through ODOT, and he will pursue that, and find out what the options are. If we don't get funding, he's not sure how much it will cost. It might be somewhere around \$10,000 to \$15,000 for two sets of two-way signs and solar panels for power. It would be a one-time expense.

#### Training

- Latta noted that staff is undergoing a huge amount of training lately. Tim G went to SDC Training, and he and Tim both went to Budget Training on scholarships. Tim G also has OMFOA coming up. Latta went to Planning Director's training, and CIS training. Michele went to CIS, and has Elections Training, and OAMR coming up. Tim B has Short School, and OAWU to attend.

#### Monaco

- Latta reminded Council that with Monaco closing, we put together a rapid response team with the community service consortium this last week. 15% to 20% of the former employees were there. Isovolta was there also, and had some jobs available, so maybe some people were being placed locally.

#### Parks Committee

- We also had a Parks Committee Meeting yesterday. There wasn't a quorum, but Knife River was there. We were negotiating an extension of time in our acquisition of the park land there, because they need to get more gravel out. We came to an agreement on what we would like in exchange for the time, and \$42,000 was what he proposed, and they accepted. Parks thought that was reasonable in terms of the structure. That will come for your permission shortly.
- Bunnell thought they were asking for ten years.
- Latta said they are requesting up to ten years, but they hope to do it in five. For 5 years, we get \$30,000, and we get an additional \$12,500 for additional years.
- Mayor Duncan said that means that citizens can't access the park for up to ten years.
- Puls told him that's only if you get the reclamation of the land completed.
- Latta said that was correct. They have to do a reclamation.
- Caughey asked when the last payment was due, and if the money had been set aside?
- Latta told him when we acquire it, and that yes, we've set funds aside for it.

**With no further information to add, the City Council adjourned at the hour of 8:10PM.**

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**Mayor**

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**City Recorder**

## EXPLANATORY STATEMENT

### What is the H.A.R.T. Family Resource Center Levy?

The City of Harrisburg proposes a local option property tax levy of \$75,000 per year, lasting for three years and beginning July 1, 2014. This measure may cause property taxes to increase more than three percent.

The tax revenue from this measure would be used to support the operations of the H.A.R.T. Family Resource Center. The revenue from the levy would be restricted to this use, and not used for any other purpose.

### What services are provided by the H.A.R.T. Family Resource Center?

The H.A.R.T. Family Resource Center is a core community connector providing services to the residents in the Harrisburg area. Some of the services include:

- Cooperative Preschool;
- After school and Friday programs for school-aged youth;
- Summer camps for school-aged youth;
- Field trips for all youth and families;
- ESL support and translation services for youth and adults;
- Dental Van;
- Parent education classes;
- Women, Infant, and Children (WIC);
- Grant funded programs: Women's Circle group;
- Information and referral;
- Housing and utility assistance programs; and
- Computers and office equipment for public use.

### What impact would this measure have on a homeowner's property tax?

The levy of \$75,000 per year is estimated to equal \$0.46 per \$1,000 of assessed property value in the first year. A typical homeowner with an assumed average assessed value (not market value) of \$150,000 would pay an additional \$69 per year or an additional \$5.75 per month in property taxes.

### What happens if the levy fails?

The Harrisburg City Council has decided that if the levy fails it will support the H.A.R.T. Family Resource Center with general fund dollars at the a-reduced amount of \$15,000. This represents 25% of a 75% reduction in the H.A.R.T. Family Resource Center's 2013-2014 annual operating budget. The reduction in This level of funding will reduce

the hours of operation, personnel costs, and services that are presently provided at the H.A.R.T. Family Resource Center.