



MINUTES

Coburg City Council

Annual Retreat

January 13, 2007 – 9:30 A.M.

Country Christian Fellowship Coffee Shop
32534 West Van Duyn Street- Coburg

COUNCILORS PRESENT: Mayor Judy Volta; Bill Judd, Don Nelson, Brian Pech, Michelle Sunia, John Thiel, Mike Watson

COUNCILORS ABSENT: None.

STAFF PRESENT: Don Schuessler, John Bosley, Craig Gibons.

RECORDED BY: Dan Lindstrom

Following a sumptuous breakfast buffet and roll call determination that a quorum was present, Mayor Judy Volta called the Annual Retreat of the Coburg City Council to order at 9:35 a.m. She distributed copies of a general order of discussion for the day. She said the purpose of the meeting was to allow Councilors to reflect on their perceptions of the recent past; to receive staff presentations about the present financial, organizational, and facility condition of the City; and to ruminate on future financial, organizational, and facility options.

I. REFLECTIONS ON THE PAST

Councilor Bill Judd: recent encounters with citizens had illustrated limited understandings of City financial quandaries and weaknesses responses that can be given to questions. He said he believed corrections initiated by the Council were a good start, but did not “cure the problem.” He said it would be important to maintain commitment to the resolution strategies and to improve communication with citizens.

Councilor Brian Pech: recently received audit of 2005-06 financial records showed that deficit problems faced by the City are more serious than previously portrayed. He said he believed the Council was plotting a correct course, but that there was still a long way to go. “We haven’t righted the ship, but we are making progress in our bailing it out.”

Councilor Don Nelson: much progress has been made in correcting problems created in the past during the last year. He said it was agonizing to have to dismiss City employees. He said it was important to “stop reacting and start acting,” and to make the right decisions based on accurate information. He said he did not believe new taxes should be considered until current revenue streams were fully maximized.

Councilor Michele Sunia: emphasizing the positive steps taken to correct City problems is important. She said it was encouraging to receive the report of 2006 Council achievement and that she believed it should have been included in the media report of the dire conditions highlighted in the Auditor's Report presented at the regular January Council meeting.

Councilor John Thiel: local government does not have the same control over its destiny as private business. He said he had found it helpful to keep a "long-view" of the issues faced by the City and to be vigilant in making ongoing course corrections.

Councilor Mike Watson: recent staff changes have given confidence that solutions to City problems will be found. He said he believed the Council was "heading in the right direction," but needed to better inform the public of what was happening. He said, "As public officials, we need to be aware of how what we say can reflect on the City to avoid undeserved negative reactions of the past."

Mayor Volta: earliest City Council recollections include infighting, little understanding of what was happening, and a heady sense that everything was in good shape. She said he believed that through "the crash," City leadership had learned only to trust information that was fully verified. She said she and every Councilor had suffered from hardships brought on by their leadership roles. She said, "Good things happen when no one cares who gets credit."

II. CURRENT CONDITIONS

A. Financial Picture

Finance Director Craig Gibons distributed copies of material reporting impacts of embezzlement of funds by employees of West Linn, Oregon. He reviewed conditions that had led to the crime and listed positive efforts in Coburg that avoided the occurrence of anything similar:

- Council demands financial data
- Mayor uses management skill with staff rather than intimidation
- Financial Oversight Committee formed with Council-reporting responsibilities
- New, but well-experienced finance staff
- New financial software
- Segregation of duties
- Monthly reports for management and Council
- Timely and up-to-date audits

Mr. Gibons identified specific Council actions that contributed to the City's move toward financial stability:

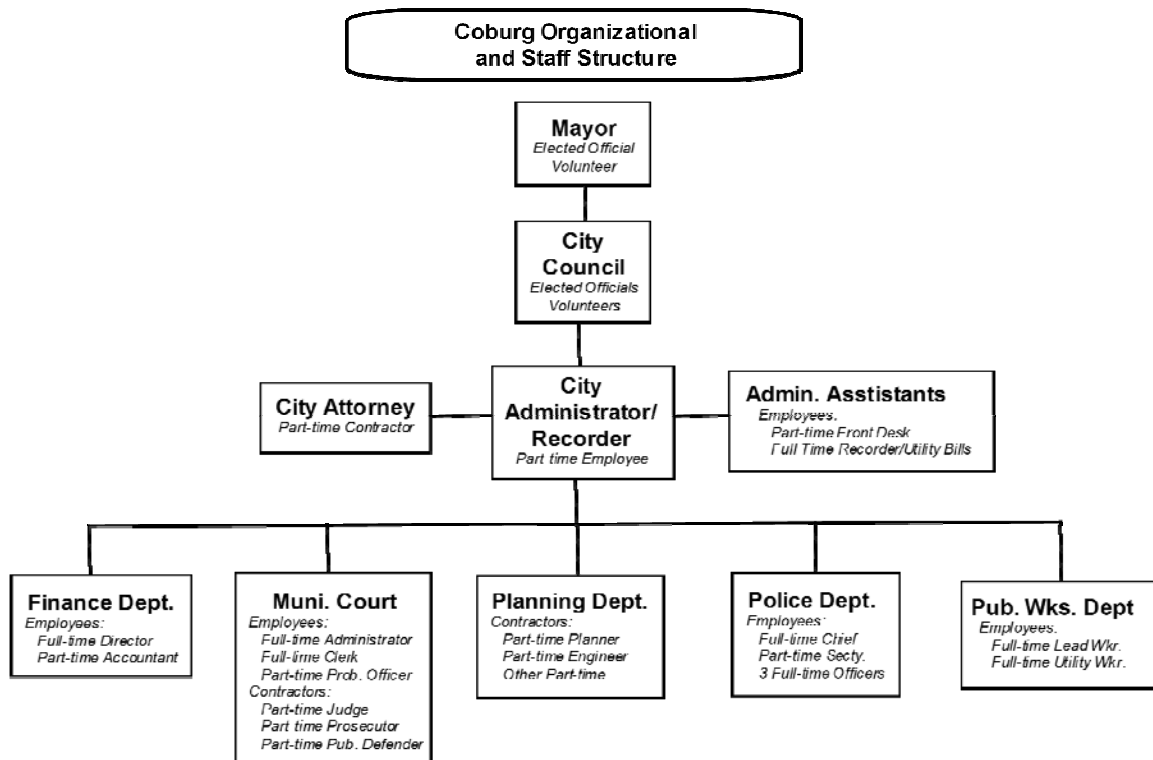
- Directing that the revenue stream from freeway fines be reduced
- Hiring David Landry as Finance Director and his updating of accounts and installing new accounting software
- Changing audit firms
- Changing City Attorney
- Requiring timely audits
- Developing a positive, cohesive working style

Mr. Gibons described steps that needed to be taken for Coburg to reach financial stability – (1) General Fund revenue equals General Fund expenditures; (2) General Fund revenue exceeds

General Fund Expenditures in order to pay down General Fund debt; (3) General fund has no debt and builds a contingency of ten percent.

B. Organizational and Facilities Pictures

City Administrator Don Schuessler displayed a chart and described the current organizational and staff structure of Coburg, as follows:



Mr. Schuessler noted that the City employed ten full-time and six part-time staff, totaling 12.65 FTE (full-time equivalency), and contracted for the services of an additional six part-time staff. He distributed copies of a document entitled “City of Coburg Salaries” and noted that the total personnel cost for the City in fiscal year 2005-07 was \$1,564,707.

Mr. Schuessler reviewed the status of facilities currently used by the City and the distribution of services and staff in them:

City Hall

Owned by the City
Administration/Public Services
Financial Services
Planning Services
Police Services
Total: 10 Employees

Public Works Building

Owned by the City
Maintenance Equipment
Public Works Services
Total: 2 Employees

Municipal Court

Leased by the City
Judge/Court Services
Probation Officer
Total: 3:5 Employees

Mr. Schuessler distributed copies of a document entitled “2006 Activities” originally presented at the January meeting of the Council.

Councilors took a five minute recess.

III. A LOOK INTO THE FUTURE

Mayor Volta divided Councilors and Staff into three teams and gave instructions on how to use tools to generate discussion and construct scenarios of potential financial, organizational, and facilities futures for the City of Coburg in 2007, 2010, and 2030, as follows:

<u>Group A</u>	<u>Group B</u>	<u>Group C</u>
Chief Bosley	Director Gibons	Administrator Schuessler
Councilor Nelson	Councilor Pech	Counselor Judd
Councilor Thiel	Councilor Watson	Counselor Sunia

The groups held rotating discussions at three stations, playing with Lincoln Logs, arranging chess pieces, and anteing poker chips. They reported ideas generated at the conclusion of the allotted hour.

A. Facilities

Group A: Utilization of City Hall is improved from when it also housed Municipal Court services, but still leaves much to be desired for productivity, public access, and civic image. Consideration should be given to its replacement. Public Works storage and operations should be relocated to the new wastewater treatment facility. Temporarily moving Police Department and Administrative functions to the Municipal Court building could make possible reconstruction/remodeling/expansion of City Hall. Needed parking could be gained by acquiring property between City Hall and Park. Other development on the same land could also make possible elimination of the need to lease the Municipal Court building.

Group B: Consideration should be given to purchase of the building being leased for the Municipal Court. Cost savings could be realized by moving staff and programs currently in City Hall to the Municipal Court building and renting/selling the City Hall. The City Hall property will have more value for commercial purposes with completion of the sewer system. Consider moving all City functions, except those of Public Works, to the Coburg Inn – providing increased space, improving historic character image of civic operations, taking advantage of a potential land-swap offer, reducing facility expenses, and providing an enabling revenue source by the sale of City Hall. Moving Public Works storage and operations to a temporary facility and ultimately to the wastewater treatment site could make possible the remodeling of its current building to house the Municipal Court, or other services.

Group C: In the short term, bringing the Municipal Court back to City Hall and reducing its staff and responsibilities would provide a significant revenue savings. Office space could be created in the Public Works building. In the long term, acquiring the Coburg Inn as a donation in exchange for a zoning modification and land swap could lead to significant improvements and facility revenue savings. Earlier study and negotiations regarding the use of the Coburg Inn as municipal officers had been financed with a federal grant. Concerns about requiring its conversion to City use were that it would be expensive to bring the facility into compliance with accessibility standards (not required of buildings designated as historic) and that its plumbing and wir-

ing were substandard (not true – remodeling in 1985 brought both up to standards that continue to be acceptable). There are indications that the investor holding Coburg properties, including the Municipal Court building, might be interested in discussing their sale.

Mayor Volta: Common themes include investigation into expanding the use of the Municipal Court building, remodeling/expanding/replacing/selling City Hall, use of Coburg Inn for City use, moving Public Works to Wastewater Treatment facility, and the potential high value of the City Hall site. Personal dream is to receive a federal Community Development Block Grant through the County to create a new City Hall/Historic Museum/Library facility. It will be helpful to have estimates of the cost estimates for the various options as budget planning begins.

B. Finances

Group C: Study ways to reduce expenses of Municipal Court (Judge's salary changed from hourly to monthly stipend, reduce staff); investigate cost and service advantages of having (possibly full-time) employee, versus contracted Planning services; and consider ramifications of full-time City Engineer. Previous decision to have in-house Planning was appropriate, but premature.

Group B: Will become a necessity to provide full-time Planning services in near future. Should be a high priority to expand City Administrator position to full-time. Reorganization of facilities use could have positive revenue impact. A three-quarter time Planner with mid-level experience could be hired for the cost of the current contract (\$40,000 salary, \$65,000 with benefits).

Group C: Additional resources will need to be allocated to Public Works in anticipation of expanded service requirements with completion of sewer system. The cost impacts of previous Planners using contracted services of outside planning experts should be recognized and avoided. City Administrator oversight/authority over municipal operations is essential to avoid hegemony tendencies of government bureaucracies.

Mayor Volta: Common themes include considering Municipal Court reductions and improving Planning services.

C. Organizational/Staff

Group B: Expansion of planning services needed. Adding part-time/seasonal Public Works personnel and expansion of its services with completion of sewer project should be evaluated. Consider monthly salary for the Judge, versus hourly payments – as in Cottage Grove. Needs of Financial services seem to be in good shape. Reduction of Front Desk services could be studied. Smaller Police staff affects revenue and impacts need for Court services. Previous staff reductions raised minimal negative citizen reaction. Current Police to citizen ratio continues to be high, but is needed because of large influx of daytime manufacturing employees. Subsidizing of Court and Police services from General Fund needs to be analyzed. Budgeting for Court services should be “bare bones” in next fiscal year and increased as needed thereafter.

Group A: Important to ask questions about staffing based on services needed. A mission statement for municipal services, including for each department, should become the basis for budget planning. No department should operate independently of the others. Planning work is under

supported. Better communication is needed between Council and Planning Commission. Organization of Transportation Advisory Committee could prove beneficial.

Group C: Current Administration, Public Works, and Finance staffing seem appropriate. Planning services need expansion. Court staffing could be reduced to two FTE. Future considerations should be given to returning to 24-hour Police services, full-time City Administrator, and expansion of Front Desk services.

Staff Feedback: Court and Police are appropriately being especially “eyed” for reductions. Court was built to handle services not required by current Police services. Current Court operations produce revenue in excess of its expenditures, but do not account for Police costs. Future Court revenue will be reduced by earlier reduction of Police services. Probation Officer position is valuable, but may not be essential. Decisions about changes have to be based on policies developed by the Council. At least one department will likely face significant funding reductions. Reductions should not be seen as attempt to impugn quality or value of current services. Have heard Council commend current staff as dedicated, responsible and qualified. Did not hear suggestions for aggressive approach to reducing \$825,000 deficit. Annual budget reduction of \$100,000 will eliminate debt in reasonable time. There are viable options that can be considered. Suggestions for restructuring of facility use are helpful. Department changes best considered and planned during budget development process. Incorporating individual department staff essential in preparation of reduction/change proposals.

IV. CONCLUSION

Mayor Volta received reluctant acceptance of her suggestion that the seating arrangement of Councilors in public meetings should be changed. Discussion was held on the value of curved dais or even table seating for Council meetings.

Mayor Volta tested potential committee/department liaison appointments of Councilors for 2007 and said she would announce her decisions at the next meeting. Staff was asked to report Council liaison responsibilities of other nearby cities. Considering such information and developing new Coburg practices was suggested as the basis for a Council Work Session. Discussing the Improvement of public access and involvement in Council activities was also suggested.

The Retreat was evaluated as helpful, very good, and the best so far.

The meeting adjourned at 1:05 p.m.

ACCEPTANCE

Yes: _____

No: _____

Abstained: _____

Passed: _____ Rejected: _____

Signed this 13th day of February 2007

Judith Volta, Mayor

Attest:

Donald Schuessler, City Recorder