



**DETROIT CITY COUNCIL
Special Session & Budget Public Hearing
Meeting Minutes June 5, 2018**

1. CALL TO ORDER: Mayor Trett called the meeting to order at 6:42 PM at City Hall, 160 Detroit Avenue N., Detroit, Oregon.

2. PLEDGE WAS RECITED

3. ROLL CALL – Council Present – Debby Ruyle, Shelley Engle, Jim Trett, Greg Sheppard and John Manthe

Councilors Absent – Vicki Larson-Hills with notice

Staff Present: Christine Pavoni City Recorder and Deborah Hastings City Clerk

Citizens Present: Rick Morgan, John Engle, Dean O'Donnell and Debi Morgan

4. Approval of Minutes of Budget Committee meeting 5/7/2018 – Councilor Manthe motioned approve the minutes, motion was seconded, all in favor; Manthe and Sheppard, abstain; Ruyle and Engle, motion failed no quorum.

5. Budget Officer Proposed Budget Adjustments – Mayor Trett read memo from Recorder Pavoni updating council on the Transient Occupancy Tax (TOT) committee meeting. Committee did final evaluation of a \$12,500 grant award made to DLRABA on June 30, 2016 for the Detroit Rocks program and considered a current request for the grant toward the Rocks program. After review, the committee concluded that the program should no longer be supported by TOT funds because the program is not self-sustaining, the program appears to appeal to people who are already in town rather than people coming to town because of the program, and the program has not had any direct impact on heads in beds. Per State laws and city attorney interpretation, paying a professional marketing and advertising company a consulting fee is not an allowable use for TOT funds, \$7,200. Acquiring and placing the words on the rocks, as well as the cost of hiding the rocks and any prizes that might be awarded to the finder would qualify as an appropriate expense under the umbrella of advertising or publicizing tourism. Only about \$5,740 of the \$12,500 grant award, actually appear to qualify. The committee felt that TOT funds and the TOT grant, should be spent more efficiently for events or programs that yield immediate results. They also agreed that that the Mud Run should be brought back and that TOT funds be made available for this event. The committee brainstormed on new events to be discussed outside the constraint of their current meeting. The committee also reviewed current TOT grant procedures and agreed that the grant should be awarded twice per year rather than quarterly, which is an administrative nightmare and unnecessary for the rather modest amount of \$12,500 total per year. They agreed to designate September and March of every year the target months and felt strongly that actual receipts should be required for grant expenditures over \$500. TOT Committee recommendation to council are to decline the TOT grant application for the Detroit Rocks program because the committee concluded that it does not qualify per grant conditions and reasons stated above. To change TOT grant awards from quarterly to two times per year September and March. To put a clause to TOT grant conditions that receipts must be furnished for expense over \$500. Open TOT funds for the Detroit Mud Run if the organizer is interested. Approve \$2,000 from the general TOT Tourism fund for the Cascading Rivers Bike event as requested by the organizers via Dean O'Donnell. Approve approximately \$1,500 from the general TOT Tourism fund for directional signs requested by Street commissioner Greg Sheppard. Allocate the \$29,003 on hold for fiscal year 2018-2019 disbursement as follows: \$12,500 into TOT Grant Fund and \$16,503 in the General Tourism Fund. Discussion followed. Dean O'Donnell commented that he thought Grady McMahan with the Forest Service mention having some signs and if he does that

would save \$1,500. Discussion followed regarding the amount of TOT funds that could be granted to the Detroit Rocks. The amount for the current budget for the 2017 grant is \$5,740 and they could reapply during the 2018 grant cycle for the \$5,740. Councilor Ruyle stated some of the signs that Greg asked for are down at the Flats, maybe the Forest Service have signs for that and if we could ask if they would help match this or provide anything. Councilor Sheppard stated it could not hurt to ask. Motion was made by Councilor Manthe to accept the report as written and add, to grant from the 2017 budget \$5,740 for the Detroit Rocks Project. Motion was seconded, all in favor; Engle, Ruyle, Trett Sheppard and Manthe, motion passed. Dean O'Donnell talked about the city maybe raising the TOT tax. Mayor Trett stated to have the planning commission look into that.

6. Public Hearing to adopt the 2017-2018 Budget: Mayor Trett opened the public hearing at 7:06 PM. He asked for any public testimony on the proposed budget, none. To discuss possible uses of **levied property taxes**, on the proposed uses of the funds in relationship to the entire budget. Dean O'Donnell asked about snowplowing. That last year we had a contract with Sigmund's and that he heard there were some residents that had isolated problems driveway blockage, etc., and that the city did not contact Sigmund's to correct the problem but hired an alternative contractor, which really steps on Sigmund's toes, that they have a budget to follow. Mayor Trett stated they are going to address that, but that people need to know we do not plow private driveways. Councilor Sheppard responded that Sigmund's could not get up here right away and Kevin was already in place and he just had him start. That he had talked to Sigmund's and they did not have a problem with it. After some discussion, Mayor Trett said he was thinking that next year we put something in writing so everyone is on the same page. Mayor Trett asked for any testimony to discuss possible uses of **state revenue sharing**, there were none. Testimony on the proposed uses of the funds in relationship to the entire budget, there were none. Testimony to discuss possible uses of **state-shared revenues** (cigarette, liquor and highway taxes), none, in relationship to the entire budget, there were none. Mayor Trett closed the public hearing at 7:20 PM.

7. Council Discussion – Budget - Councilor Ruyle asked when the last rate increases were. No increase last year but one dollar the year before and the year before that. Mayor Trett stated that the personnel committee is looking at salary ranges. Councilor Engle asked for what the differences were in the parks, rec. reserve fund, and the parks capitol project special revenue fund. Recorder Pavoni responded the parks capitol project special revenue fund is strictly to administer the Oregon state park grant. Engle asked on page 11 line 9 where we were spending \$7,700 on parks and rec. That we are transferring funds from TOT into the parks and rec fund. Recorder Pavoni responded that fund is strictly for maintenance of the park. That the \$7700 in the TOT fund is not from the 70% it is from the 30% that the city can use for anything. Shelley asked why some of that couldn't be used for the Detroit Rocks and Christine explained it's not part of the 70% that can be used for tourism, that we need it for the park and streets. That we put the 30% where we need it most which is mostly streets and for right now parks, because neither one of those funds have an income but have expenditures. Mayor Trett informed council that none of the changes tonight would be voted on tonight, but at the next meeting. Councilor Ruyle stated that Dean had talked about us charging 8% for the TOT that she did not want to vote for the 1% before because she did not want to hurt the motels, but Shari said she just adds it on to the bill and asked if the TOT committee could discuss maybe upping it if we can. Councilors responded that the planning commission is going to look at that. Councilor Engle asked how many heads in beds facilities we have, that she counts three. Response from Councilors that we also have vacation rentals, RV parks and three motels.

8. ADJOURN – Councilor Manthe motioned to adjourn, motion was seconded, all in favor; Ruyle, Engle, Trett, Sheppard and Manthe, motion passed. Meeting adjourned at 7:29 PM.

Attest

Signed: _____
James Trett, Mayor

Christine Pavoni, City Recorder