

**CANBY CITY COUNCIL
WORK SESSION MINUTES
August 10, 2011**

Presiding: Mayor Randy Carson.

Council Present: Rich Ares, Traci Hensley, Brian Hodson, Walt Daniels, Greg Parker, and Tim Dale.

Staff Present: Greg Ellis, City Administrator; Sue Engels, Finance Director; Eric Laitinen, Aquatic Program Manager; Penny Hummel, Library Director; and Sue Ryan, Deputy City Recorder.

Mayor Carson called the Work Session to order at 7:30 p.m. in the City Hall Conference Room to discuss the proposed Swim Center operating levy rate.

Sue Engels, Finance Director, explained the financial status of the pool. If the revenues stayed the same and overhead charges increased by 5%, the pool would do well for the first three years of the levy, but would have trouble the last two years.

Councilor Parker clarified the Swim Center received no money from the General Fund.

Ms. Engels explained how the Swim Center took care of its own maintenance and utilities.

Councilor Parker said in the future the choices to continue funding the pool were to backfill the shortage with General Fund dollars or cut back the expenses of the Swim Center. He was concerned about asking for less money than was needed.

Ms. Engels explained how staff calculated revenues and the General Fund overhead.

Councilor Dale said the Swim Center budget was not currently sustainable.

Mayor Carson said this was a policy decision of the Council whether or not to change the levy amount, subsidize from contingency, or have a reduction of services.

Councilor Parker said they could not guarantee citizens that the pool could be funded at the current levels with the levy, but it would be kept open for five years based on current projections.

Councilor Ares referred to the City's budget and how the General Fund was very tight with a small contingency fund.

The Council asked if Mr. Laitinen could manage this budget.

Eric Laitinen, Aquatic Program Manager, replied that he could manage it and thought there would be no fund shortage because they had always been able to manage the budget.

Councilor Parker wanted citizens to know that by endorsing the levy, it did not mean they were committing or encouraging a future Council to backfill this with the General Fund. Out of

respect for the voters and tax payers they had come up with a number as tight as they could get it.

There was discussion regarding the defeat of the CAPRD ballot measure.

Mr. Laitinen said the rates were different for those living inside the City limits and those living outside. The majority of revenues came from passes and swim lessons.

Councilor Hodson said the proposed levy was a manageable number.

The Council consensus was to raise the levy from \$0.42 to \$0.49 and it would be placed on the August 17 meeting agenda.

Mayor Carson suggested a Budget Committee meeting in September or October so that they could talk about how the overhead charge was calculated because there was a lot of misunderstanding about it.

Councilor Ares was concerned about the overall financial condition of the City. The City's contingency had declined and was too low. He said the Council might have to look at trimming the budgets that did not generate any revenue for the City.

Mayor Carson said the City had the ability to increase sewer and stormwater rates as well.

There was discussion about taking this information to the City committees and explaining the reasons for the increase of the levy. There was further discussion regarding the Urban Renewal District and what revenues would be generated once it ended.

Councilor Ares discussed the odor issue at the sewer plant. He thought an article should be put in the *Canby Herald* telling the citizens they knew there was a problem and it was being worked on.

There was Council consensus to place an article in the *Herald*.

Mayor Carson adjourned the work session at 8:40 p.m.

Sue Ryan
Deputy City Recorder

Randy Carson
Mayor