

**MINUTES FROM
A MEETING OF THE HINES BUDGET COMMITTEE
June 16, 2020**

Present:

Budget Committee Chairperson:

Son Burns

Budget Committee Members:

Mayor Nikki Morgan, Councilor Duane Hutchins, Councilor Gary Miller, Councilor Marsallai Quick, Councilor Robert Beers, Councilor Ray Breshears, Jon Morgan, Josh Cummings, Stephanie Radinovich, Taci Weil, and Becky Bates

City Staff:

Budget Officer Kirby Letham and City Treasurer Amie Breshears

Public Audience:

Mason Watson, Chris Pratt, Dan Grigg, Judy Erwin, Lola Johnson, Tory Schmidt, Hilda Allison, Jordon Bennett, and Robert Paramore

***Chairperson Burns called the meeting to order at 5:40 pm and led the flag salute.**

Approval of the June 16, 2020 Agenda

The agenda for June 16, 2020 was reviewed by the Committee. Mayor Morgan made a motion to approve the agenda as presented. Councilor Beers seconded the motion. *All ayes, the motion carried.*

**Budget Committee Discussion and Review of Proposed Budget
Review of TLT Funds**

Mayor Morgan asked to speak. The TLT, Transient Lodging Tax (formerly known as the TRT, or Transient Room Tax). Mayor Morgan explained that she had read all previous minutes of the City Council to better understand why the topic arose. She said as far back as 2007 some businesses in Hines felt they were not being represented by the Chamber of Commerce as equitably as others. Complaints were made to City Hall and the City Council. This topic has been brought up numerous times in the past. In 2013 the City Administrator and staff went through all council meeting minutes and compiled a summary of anything concerning the TLT, which started in 1998. Chamber of Commerce Board members were present for discussions Dec 2012, Jan 2013, and Apr 2014. At the April 2014 meeting council chambers were full, with standing room only outside council chambers. At that meeting it was proposed to cut the TLT funds to the Chamber of Commerce by 5%. Chamber Board members as well as business reps (including those from the hotels) were present. At the June 2020 meeting Chamber Board members were present, but not as many reps from the city business community. No hotel reps were

present. At this meeting it was proposed to cut the share payable to the Chamber to 50% with an application process to the City where anyone including the Chamber can apply for funding. If the City moves forward with the 50/50 split of the TLT funding, then anyone can apply for funds. The Chamber does not give away money. If this City is hearing some businesses are dissatisfied with the Chamber, why is the Chamber not hearing this? The TLT funding to the Chamber is not guaranteed funding. The Hines City Council is the legislative body governing Hines and is responsible for all financial decisions and take this responsibility seriously. Mason Watson stated at the City Council meeting that he has held events and has not seen any City Council members in attendance. It was asked if and how he advertised, and he said Facebook. Not everyone is on Facebook. He also stated that Hines has nothing to bring in tourists. We do have Obsidian Days, events such as Guns & Hoses, sporting events in the park, the Farmers Market, Community Junket, weddings, etc. Yes, they are specialty events.

Mayor Morgan said there are other options than splitting the funds 50/50.

Chairperson Burns said that overall, he would defer to those with more experience, however, he sees no problem with the City requesting accountability for how the funds given to the Chamber of Commerce are spent. The dollars belong to the City of Hines and the City Council is accountable to the residents of Hines to see how their money is spent.

Councilor Quick mentioned that Dan Grigg, the Chamber Board President had provided her with a copy of a detailed budget. She appreciated the details. She said that she had spoken with Administrator Letham as she has concerns about the City being responsible for giving out the funds. She asked Administrator Letham to voice his opinion. He stated that he likes that the Council is holding the Chamber responsible with how they handle the money, rather than the City just handing over the TLT funds. Last year the City chose to adjust how much funding the Chamber would receive and chose to give the Chamber 85% of the TLT funds and to retain 15%. He said that this year, it is not desirable to take all funding away from the Chamber, but to possibly adjust the percentage they receive, whether its 85/15, 80/20 or 90/10. Councilor Hutchins chose to clarify a point. That being the City receives TLT funds from the State. Of the TLT funds received, 25% **must** be spent on tourism. Until last year, the Chamber received 100% of the 25% that must be spent on tourism. As an example, Administrator Letham stated that he has projected the City receive \$190K in TLT funds. Of that, 25% (\$47,500) must be spent on tourism. The Budget Committee must decide how much of the \$47,500 will be given to the Chamber with the remainder retained by the City. He believes that it is good that the City retain some of the funding. He like the suggestion from Dan Grigg last week about creating a sub-committee that possibly meets quarterly to review ideas and events, with an annual review between both the Chamber of Commerce and the City Council. Ms. Radinovich asked for clarification about what funds would be available if someone came directly to the City. Mr. Letham explained it would be out of the percentage retained by the City. After checking with legal counsel he also found that if the money retained by the City wasn't spent in one fiscal year, it could carry over to the next one as long as the money

is still designated for tourism. Councilor Quick stated she likes the 85/15 split and if there is a sub-committee between the City Council and Chamber of Commerce, she volunteers to be a member.

Councilor Hutchins read a letter he had drafted. It mentioned that the City is not trying to take all the TLT money away from the Chamber. However, for the amount of money given to the Chamber it is felt that Hines is not receiving value for the dollars given. He acknowledged that Dan Grigg, the president of the Chamber recognizes the concerns that the City has. He believes that allowing people to approach the City to request funding will allow those with event ideas an opportunity to hold their events and promote tourism at the same time. He thanked Lola Johnson for showing how this could work by approaching the City Council and requesting money to give as prizes for the 4th of July Stay Parade and Festival.

Committee Member Jon Morgan asked how the City will account for the TLT funds, especially for the funds that may carry from one fiscal year to the next.

Councilor Quick asked how is the City going to vet the requests for TLT funds? Who has the time? The City Administrator and staff have their own responsibilities. Mayor Morgan said that as long as the individual or group supply the proper documentation to apply for funding then that's fine. Councilor Quick expressed concern, wanting to make sure that this would meet State requirements and that the City would not be held responsible if the event didn't end up meeting those requirements.

Committee Member Cummings brought up a document from the League of Oregon Cities that Administrator Letham had sent to the Committee. He said the document states that cities can spend TLT dollars on developing things like jogging trails and splash pads. Things that could bring in tourism.

Councilor Miller stated that he would hate to see the City take a stance that would cripple the Chamber of Commerce.

Committee Member Weil said she would like to see teamwork between the Chamber and the City. She said she sees this as a chance for both to work better together moving forward.

Councilor Miller agrees that the funding to the Chamber is something that needs to be visited on an annual basis.

Committee Member Radinovich said that she sees value in the City retaining some of the TLT funds as people can come up with great ideas. Believes that clear communication must be established and that there should be someone from the Chamber at every Board meeting with an update as to what has been happening and what is upcoming. She said she called both John Day and Baker City. She said that both communities do something similar to what is proposed. She said that in both communities the community pools and

parks come to them for funding for updates, etc. She sees nothing wrong with the City retaining some of the funds, however, she doesn't want to see the split be such as to damage the relationship between the Chamber and City.

Councilor Quick made a motion to maintain the 85/15 split of the TLT funding for the next fiscal year. Councilor Beers seconded the motion. 9 Ayes, 1 Nay the motion carried.

Other Items of Interest

Councilor Beers had done some research regarding mosquito abatement. He contacted the County noxious weed department to see if they could spray, they cannot. He contacted 3 Rivers Mosquito Abatement. They seem to be the only company that will come out and service our area. He was told that 3 Rivers will come out and do an analysis on the types of mosquitos and spray twice for \$12K. Mayor Morgan expressed concern about spraying with those residents that may have respiratory issues. The City stopped spraying in the past due to health concerns of residents. Councilor Beers said a couple of years ago he and Dan Griggs did speak to a company that does aerial spraying. It was estimated that it would take 3-4 applications at more than \$9K for each. He said that he has tried to contact other companies, but so far 3 Rivers is the only one that he's been able to contact that would do a city of our size. Mayor Morgan commented that spraying has been entered into the projected budget so the money will be available if the City moves forward with mosquito abatement. Councilor Hutchins asked if we aren't a little late in the year for mosquito abatement? It seems that once it gets hot the mosquitos go away. Councilor Beers agreed but said that as long as the money is budgeted it can be used next year in time for mosquito season. Mayor Morgan said at least data collection could move forward to be prepared for next year. Councilor Quick asked if they could possibly treat the lagoons. Councilor Beers said he would ask. He also said that if the City of Burns and the County chose to spray, it could bring the cost down.

Chairperson Burns asked if there were any other items that the Budget Committee wanted to discuss. Budget Officer Letham advised that the proposed 20/21 budget is \$7,915,088.

Public Comment (3-minute time limit per speaker)

Judy Erwin – Member of the Chamber Board. Apologized to the Committee. At the last meeting she stated that TLT funds could not be carried over from one budget year to the next. After further discussion she found that was not the case.

Dan Grigg – President of the Chamber of Commerce Board and Resident of Hines. Thanked the Budget Committee for its support of the Chamber of Commerce. He also advised Councilor Beers that at one time he identified a company in Fruitland, ID that sprays for mosquitos. He said that in conversations with Administrator Letham they have discussed the possibility of setting up a Vector Control District in the County for a long-term solution, that way the cities would not be burdened with funding it, and it would be spread over the County tax base. He made a point that with eliminating mosquitos it could help with tourism.

Lola Johnson – Director of the Chamber of Commerce. Thanked the Committee to listening to the Chamber of Commerce. Said she has had some other commitments and has not been able to attend all of the meetings but said she will try to be more consistent. She also asked that if any of the local businesses contact the City with complaints, please have them contact the Chamber as they cannot fix what they do not know is a problem.

Tori Schmidt – Member of the Chamber Board. Thanked the Committee for their support of the Chamber of Commerce. Thanked Councilor Hutchins for reaching out to her directly to talk. She asked the Council to look forward rather than at the past. She said last year she and her husband has approached the City about a marketing campaign for the City. She said they were told they could have the money for materials, but said they were basically told they'd have to donate their time. Administrator Letham asked if she would be agreeable to talking one-on-one and she agreed. He said that he'd like to meet with her and bring any solutions back to the next City Council meeting.

Chris Pratt – Wanted to thank the Council for being willing to embrace change and move forward. Said he's been in contact with Kirby about some big plans that could have far reaching positive impacts to not just the City of Hines, but to all of Harney County. He then said that mosquito spraying is possibly foolish and asked if the City had checked to see if there are any regulations regarding Covid-19.

Rob Paramore – Has been a resident of Hines for 25 years. Suggests that the City take some of the TLT funds to create paved walking trails. Walking/jogging/bike riding on the streets can be dangerous. He created a map and spoke with Troy Hooker earlier today. He proposed a paved trail from Hole 3 at the Golf Course out to the nature trail connecting Burns & Hines, and down towards Peter French as that land belongs to the City. He said that if you had an entrance to the trail at the Golf Course, the hotels are across the street, making it easy for travelers to access it. Time limit was reached. It was suggested that he get on the agenda for the next City Council meeting and do a presentation.

Jordon Bennett – Member of the Chamber Board and Fair Manager. First wants to thank the City of Hines for being willing to work with the Chamber. He said that he is glad that the City is taking the lead on the mosquito issue.

Mason Watson – City of Hines resident. Thanked the Committee for approving the 85/15 split of the TLT funds.

Approval of Proposed 2020-21 Budget

Councilor Hutchins made a motion to approve the 2020-2021 budget as written. Mayor Morgan asked him to rephrase his motion to include the budget total. At that time, Councilor Hutchins made a motion to approve the proposed 2020-2021 budget for the City of Hines as prepared by the Hines Budget Office in the amount of \$7,915,088. Committee member Becky Bates seconded the motion. All ayes, the motion carried.

Committee Comments

Councilor Beers – Thinks the idea of a paved trail is a good idea. Could springboard into having events such as a 5K or 10K race.

Chairperson Burns – Thinks having 5K or 10K events is an excellent idea.

Committee Member Bates – Thinks a trail is a good idea. The cross-country team could use it. It is safer than running on city streets or highway.

Committee Member Cummings asked Councilor Breshears his thoughts on the TLT funding. Councilor Breshears stated that whoever receives funding needs to be accountable for how the funds are spent. He also said that Hines, Burns and Harney County need to get together and figure out how to bring in more jobs. That without jobs, young people will not stay.

Councilor Hutchins – He said he appreciates the Chamber Board for attending. He likes seeing the newer Board members attending the meetings. He thinks that maybe the High School should be challenged with coming up with tourism ideas. He thinks that the Chamber and City Council needs to work together as a team and not be at odds with each other anymore.

Chairperson Burns – He said that with the older teachers retiring, as the school district is trying to attract new teachers, they get questioned as to what is there to do in Harney County. The Chamber has been great in helping with that. He said that any way we can attract younger people/families to move here is a good thing. It will help the community to sustain and grow.

Committee Member Weil – Thanked the City Council for involving her in the process. She learned a lot by participating.


Meeting Adjournment

There being no further business Councilor Beers motioned to adjourn the meeting. Councilor Quick seconded the motion. *All ayes the motion carried.* Meeting adjourned at 6:58pm.

Respectfully Submitted:

Kirby Letham

City Administrator

Approved,
 Mike Morgan, Mayor