



Approved: January 24, 2011

## NOTICE OF PUBLIC MEETING

TRANSIENT ROOM TAX TASK FORCE  
City Hall  
Willamette Room  
Monday, January 10, 2011

### MINUTES

#### CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 2:05 p.m.

Task Force Members in Attendance: Mayor Sharon Konopa, Ralph Reid, Jr., Oscar Hult, Randy Porter, Jimmie Lucht, Wes Hare

Task Force Members Absent: Steve Terjeson (excused)

Staff: Ed Hodney, Parks & Recreation Director; Stewart Taylor, Finance Director; Chris Bailey, Airport & Transit Manager

#### APPROVAL OF MINUTES

MOTION: Oscar Hult made a motion to approve the December 13, 2010, minutes; Ralph Reid seconded. All approved.

#### SCHEDULED BUSINESS

##### Continued Discussion on Proposed Transient Room Tax (TRT) Allocations

Konopa discussed the two different reports included in the agenda packet. She said that the first report shows the allocation all dollars to existing and new programs. The second report shows maintaining existing programs and allocating the remaining dollars to new programs. Discussion followed.

Konopa asked which report the task force preferred. Hult, Porter, and Lucht said that they preferred the second report because it maintains existing programs and sets a higher reserve.

Konopa asked Reid what his thoughts were. Reid said that he thought that the three percent increase to the existing programs was inappropriate. He said that he didn't like the high reserve fund taking funding from the new programs. He thinks that each new program should include a reserve fund in its own budget. He didn't want to see one program using the reserve funds because they ran short of funds.

Taylor clarified that the reserve wouldn't be used by a single program. He said that it would be used to maintain funding levels. Konopa said that the only time that the reserve would be used is if Transient Room Taxes came in lower than expected. She said that it will be like a rainy day fund.

Discussion followed.

Hult suggested taking \$10,000 from the reserve fund and moving it into the Airport Capital Reserve to maintain the funding level that was previously discussed. Taylor stated that he could increase the projected beginning balance to offset the \$10,000 from the reserve fund.

Konopa asked Reid if that would be acceptable. Reid asked what would happen if there was a shortfall in TRT dollars. Taylor said that the existing programs would be kept whole and that the new programs would receive funding from the reserve to keep them whole or as close to whole as possible.

Reid said that he disagrees with this. He said that he doesn't think it is right that the new programs should have to lose out on funding while the existing programs are kept whole.

Hodney suggested moving the Airport Capital Reserve program into the existing expenditures so that it would be kept whole when tax revenues were low.

Reid said that he would agree with this plan.

Konopa went over the proposed action:

- Existing programs will maintain current funding with reasonable cost-of-living increases.
- The Airport Capital Reserve will be treated as an existing program and will have a beginning funding amount of \$60,000.
- New programs will be identified with an initial funding amount and relative ongoing funding.
- A reserve account (rainy day fund) will be established and maintained at a designated target balance.
- The reserve account is only to be used to offset actual fluctuations in TRT dollars. This reserve is not a contingency account for unforeseen changes in individual program costs.
- Fluctuations in actual TRT dollars will be offset with corresponding increases and decreases first in the reserve account up to the designated target amount and secondly in new programs on a prorated basis according to percent of total allocation to the new programs.
- The task force will meet on a six-month basis to review the policies and recommend any changes to the City Council.

The task force was in agreement over this proposed plan.

#### Process for Public Comment

Konopa said that there will be time allocated for public comments at the next meeting before the policy goes to the City Council.

#### BUSINESS FROM THE TASK FORCE

None.

NEXT MEETING DATE: Monday, January 24, 2011, 2:00 p.m., Willamette Room

#### ADJOURNMENT

The meeting adjourned at 3:45 p.m.

Respectfully submitted,

*Signature on file.*

Diana Eilers  
Administrative Assistant I

Reviewed by,

*Signature on file.*

Stewart Taylor  
Finance Director