

City legal fees have piled up

By Sue Stafford
Correspondent

Over the past four years, the amount of money budgeted and spent on City legal costs has been increasing significantly every year. However, it appears that fiscal year 2016/17 may mark a turnaround.

There have been a number of prolonged lawsuits brought against the City over that time and several began even earlier, spanning over several City administrations.

One of the major goals interim City Manager Rick Allen set for himself when he took the reins at City Hall last spring was to have all the pending legal cases settled before the new permanent city manager is hired. He is almost finished with that goal.

City Finance Officer Joe O'Neill provided some figures to *The Nugget* regarding legal expenses.

Total legal fees for fiscal years 2013/14 through the first half of 2016/17 were as follows:

2013/2014

Budgeted \$47,000

Actual \$64,661

\$17,661 over

2014/2015

Budgeted \$51,000

Actual \$74,975

\$23,975 over

2015/2016

Budgeted \$65,000

Actual \$112,007

\$47,007 over

2016/2017

Budgeted \$89,504

Actual \$36,563 Half year

The largest legal fees (\$37,631) had to do with the departure of former City Manager Andrew Gorayeb

in the spring of 2015. When those legal fees are added to Gorayeb's severance package, it cost the City \$151,561.88 to terminate their relationship with Gorayeb.

Legal fees surrounding litigation involving the proposed McKenzie Meadow Village assisted-living facility and three Land Use Board of Appeals cases filed by Mark Adolf of Pinnacle Alliance Group amounted to \$14,155. O'Neill said there very well could be more legal fees prior to fiscal year 2015/16. Recently MMV withdrew their application from the City and there are no pending appeals.

The recently settled litigation by former City employee Lisa Young, in which she contended that the City of Sisters had breached its settlement agreement with her when a partially redacted report was made public in which Young's name had not been redacted, cost the City \$3,838 in legal fees. A settlement was agreed upon in which Young received \$10,000 (\$5,000 of which was covered by the City's insurance provider). The redaction had been performed by then City Attorney Steve Bryant's office.

A suit involving property owned by Dave and Sandy Marlow, located to the north of City Hall across East Main Ave., has been ongoing for a number of years. The City installed a sidewalk, which was later removed when it was discovered the City didn't own the land under the sidewalk. That case has finally been settled after going to the Court of

Appeals, where a lower court ruling was reversed and the Marlows were ordered to pay their own legal bills.

Ky Karnecki sued the City three years ago over the removal of his mushroom and jerky stand when he failed to remove it at the end of his temporary permitted usage, and he was levied fines in connection with alleged code violations. He also filed a \$2.5 million federal lawsuit against the City and 10 officials, claiming the City has committed conspiracy to violate his constitutional rights, tort interference of his business relationships, emotional distress, slander, and defamation.

"The Deschutes County component of his suit is complete, with no financial fines imposed," said Allen.

The federal civil rights violation case is still pending.

"We have no other litigation or pending appeals that I am aware of now that Lisa Young is settled," said Allen (other than the Karnecki federal case).

"Nothing new has been filed since I arrived. My goal is to have these all cleaned up prior to my departure," Allen told *The Nugget*.

Following Gorayeb's departure and the faulty redaction of a document related to Gorayeb's conduct, the City Council terminated their relationship with long-time City Attorney Bryant. The legal firm of Bryant, Lovlien and Jarvis of Bend replaced him. Attorney David Allen of Madras, who specializes in land-use cases, took over all the MMV casework.

Groups still don't agree on Ochoco trail plan

BEND (AP) — Government agencies and environmental, hunting, horse and off-road vehicle groups are still at odds over proposed trails in an Oregon forest.

The Bulletin reports that people attending a meeting in Prineville found fault with the U.S. Forest Service's draft decision, which calls for 137 miles of trails for summer off-highway vehicle use at Ochoco National Forest.

Off-highway vehicle advocates say they'd like to see

trails that are accessible to more vehicle types.

The agency says it used the most recent data available to predict elk calving areas, but several people, including hunters and a state biologist, argue that the Forest Service's analysis is flawed and could displace elk.

Forest Service officials will respond to the latest objections by late January. After that, the Ochoco Forest supervisor can approve, modify or reject the draft decision.

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10 Financial Opportunities to Consider in 2017

The start of a new year is a great time to take stock of your financial life. Have you done all that you can to put yourself in the best possible position? Or, have you missed out on some important financial opportunities? Take a look at where you stand and consider these key opportunities that could make a big difference in your financial life in 2017 and beyond:

- 1. Revisit your financial goals** You may have established financial goals a year ago or maybe it has been several years. Either way, it makes sense to revisit your goals and make sure they are still consistent with the direction of your life and dreams for the future. Make adjustments if anything has changed.
- 2. Build a sufficient emergency fund** One of the most fundamental forms of financial security is having money set aside in a "rainy day" fund to meet any emergency needs. You don't want an unexpected expense to result in a major financial setback. It's best to have a minimum of three to six months of expenses set aside, and up to a year if you can.
- 3. Save on interest payments** First and foremost, if you have outstanding credit card debt, make it a priority to pay down this costly form of borrowing as fast as you can. Also, take a closer look at the interest rate on your home mortgage. If it's notably higher than today's market rates, look into refinancing to reduce your monthly payment and put the money you save to better use.
- 4. Take advantage of your workplace retirement savings plan** If you participate in a 401(k) or 403(b) plan at work, make sure you are, at the very least, contributing enough into the plan to take full advantage of any employer match. It's a "free money" opportunity and should not be overlooked. To the extent you can afford to do so, consider contributing more than the match amount to your plan.
- 5. Capitalize on "catch-up" contribution rules** If you are age 50 or older, you can boost contributions to your workplace savings plan and individual retirement account (IRA) by taking advantage of so-called "catch-up" rules. This can mean investing tens of thousands of additional dollars over time to help secure your financial future.
- 6. Establish Roth savings if you qualify** Roth IRAs and Roth 401(k)s allow you to build retirement savings with after-tax dollars where all distributions may qualify for tax-free treatment in the future. The potential for tax-free income in retirement can be an important benefit.
- 7. Make sure you are comfortable with your portfolio** Are you constantly worried what could happen to your portfolio in a market downturn because you're taking on too much risk? On the flip side, do you think your portfolio needs to be more aggressive to keep up with your financial goals (knowing that there's always risk with reward)? If you come up short in either area, it may be time to revisit your investments and make appropriate changes.
- 8. Review your protection strategy across all aspects of your life** Do you have sufficient life insurance in place to protect your loved ones? Is disability income coverage part of your mix? Are you protected against the risk of specialized care costs later in life? Are your home and personal possessions properly covered? Make sure you have a comprehensive protection strategy in place to prepare for unexpected events.
- 9. Get a handle on your taxes** Review past tax returns and your current financial situation with a tax professional who can help you find potential ways to reduce your tax liability. If charitable giving or volunteering is important to you, consider the tax implications of your donations.
- 10. Solidify your legacy plan** Make sure your will, healthcare directives and trust documents reflect your current priorities. Review and if necessary, update beneficiary designations on retirement accounts, bank accounts and insurance policies. Take the time to review these tactics for your personal situation. Checking these items off your list can help you start 2017 on the right foot and may make a significant difference for your financial future.

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