



City of Yachats

FINANCE COMMITTEE

April 10, 2019

Draft Minutes

I. Call to Order

Chair Shannon Beaucaire called the April 10, 2019 meeting of the Finance Commission to order at 10:00 am in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Jim Tooke, Glen Aukstikalnis, Don Groth (Public Works), David Rivinus (Library), Jacqueline Danos (Planning), John Purcell (Parks and Commons), and Mayor John Moore. Absent: none. Staff present: Wastewater Treatment Plant Lead Dave Buckwald and Water Plan Lead Rick McClung. Audience: 4.

II. Minutes March 13, 2018

Purcell asked McClung about the issues with Horizon Hill Road. McClung indicated that core samples will be taken testing equipment will be installed next week. McClung estimated three to four weeks to get the core sample results back. Danos clarified Horizon Hill Road was on the south side of the mountain and the LID for Horizon Hill was Blackstone or the East Hillside.

Groth moved to approve the March 13, 2019 minutes as presented: Aye – 8; No – 0.

III. New Business

A. Review Draft FY20 CIP and Budget

Beaucaire explained that the rough draft of the budget was truly a rough draft. She noted the narratives from each Commission and Committee was included and she could take revisions, if needed.

VISITORS CENTER

8 MINS

Bev Wilson from the Visitors Center explained her budget. Wilson reported the hours required to run the photography contest was around 10 hours per week and she did not have that time. She also noted she spent 7 hours per week on social media. Moore recalled no previous Committee member knew what the social media item in the budget was for.

Groth suggested Wilson make a formal presentation of her budget at the Budget Hearing in May 2019. Groth noted on page 4, the \$121,600 is funded 100% from Visitor Amenities on page 5 (Marketing/Amenities).

1 Danos asked if Wilson had considered marketing to the fashion industry location scouts to
2 promote Yachats as a place to use in photo and video shoots.

3
4 Purcell noted on page 5, there was a \$138,000 transfer but the budget was for \$121,600.
5 Beaucaire noted this transfer amount would change as they work through the CIP and budget.

6
7 Beaucaire reported the requests for CIPs were well above the amount available in reserves. She
8 suggested they give priority to core functions of Public Works (water, sewer, streets) then
9 cultural services (library, history, recreation). She also suggested they also look for more grant
10 money to fund items like master plans and street improvements.

11 CIPs

12 Beaucaire explained the first two pages of the large-page handouts on the Capital Reserves since
13 2007. Beaucaire stated they do not want to spend the entire \$1.8 million. She noted the
14 replenishing rate was low for income and grants, which they could look at increasing. She added
15 there were debts that required minimum reserves. Beaucaire stated the CIP wish list came to
16 \$1.98 million and would need reducing. She added that the water and sewer rate study was not
17 included in these numbers. Beaucaire asked that the Committee try to reduce the CIP requests to
18 \$1 million.

19
20
21 Purcell asked about the 501 Building CIP. Beaucaire noted the column got retitled to, "501 loan
22 repayment."

23 Streets (page 7 of 8)

24 Moore noted the \$100,000 grant for E 2nd Street was not reflected in the Streets CIP. He also
25 noted there was 112,000 from Visitor Amenities that was not reflected. Moore added they will
26 be applying for another grant for W 1st Street.

27 Library and Little Log Church

28 Rivinus reported the Library now has a set of plans that will be discussed at the Library
29 Commission meeting tomorrow (April 12, 2019) that incorporates a modest expansion. He noted
30 the funding for this would come, in part, from funds already raised. He noted many of the grants
31 they received need to be readdressed as the term deadline was approaching. He also noted their
32 primary grant writer was no longer available to work with them.

33
34 Beaucaire reported COG has a grant arm, which could possibly help find and write grants. She
35 also noted the new financial software will be better at providing information required to track
36 grants and provide grant reporting. Beaucaire asked if grant writer Meredith Howell would be
37 able to help identify grants to apply for. Rivinus indicated he would ask Howell. Rivinus noted
38 the grants submitted by the Friends of the Library have typically been smaller.

39
40 Purcell asked if anyone had considered merging the Friends of the Library and the Friends of the
41 Little Log Church. Rivinus was not aware of that idea having been discussed.

42
43 Moore suggested approving the \$60,585 amount for the Library expansion with the
44 understanding that the Friends of the Library would raise any additional costs. Beaucaire

1 explained the Library operations were funded 70% from Visitor Amenities and 30% from the
2 City. She noted the Librarians were looking into upgrading software for the library cards so they
3 could better track the active cards and the proportion of users outside of the City, which could
4 help justify the use of Visitor Amenities fund.

5
6 Groth noted they still needed to determine what CIP projects that Visitor Amenities funds could
7 be used for.

8
9 Moore clarified it has not been determined if there were grants available for the Little Log
10 Church. Beaucaire suggested there would likely be grants for the historical element of the
11 LLCM. Moore summarized that of the \$148,000 in the CIP, \$112,000 was from Visitor
12 Amenities and \$36,000 was from the General Fund.

13
14 Beaucaire reported Mary Crook indicated they had 2,100 visitors sign in in the past year and
15 many more who did not sign in. Beaucaire stated the estimated cost to rebuild was \$300,000.
16 Purcell summarized the history of work on and operation of the LLCM. He noted there was a
17 board for the LLCM and a 501(c)4 Friends group. He noted the 501(c)4 had limitations on
18 donations and fundraising.

19
20 The Committee agreed to leave the \$148,000 as a placeholder with the understanding they would
21 look for grant funding.

22
23 Purcell suggested they could reach out to the citizens to determine the level support for
24 rebuilding. The Committee discussed assessing interest and ways to fundraise prior to actually
25 doing the work. Aukstikalnis noted the \$300,000 amounted to nearly \$400 per square foot and
26 wondered if that was the best use of that money. Purcell suggested regardless of the timing of
27 the work on the LLCM, they should clean up the area and consider additional uses for the large
28 lot. Moore recalled in 1992, the community supported keeping the LLCM rather than having
29 that area converted to parking. Beaucaire noted the deed indicated the property had to be used
30 for public purposes.

31 Commons

32 Beaucaire stated she had asked for the \$50,000 placeholder for updates to and equipment for the
33 Commons, but she may be able to move that to operations. She noted the generator must be
34 replaced as the current one was now not available.

35 Water

36
37 McClung indicated the following:

- 38 1. Move to FY21 the W 3rd Street waterline
- 39 2. Move hydrant work into operations
- 40 3. Keep conservation and curtailment master plan and raise the allocated \$55,000 to
- 41 \$60,000.
- 42 4. Move to FY21 enclosure of Blackstone at \$20,000
- 43 5. Move to FY21 radio reads at \$30,000 (also in wastewater)
- 44

6. Keep earthquake value and add \$30,000 to total \$60,000 – one for bridge and one for south tank, noting the new earthquake valve at the south tank was not the correct valve to install.
7. Change SCADA upgrades from \$50,000 in FY20 to \$10,000 and put \$40,000 in FY21.
8. Keep \$50,000 for water plant systems.
9. Keep item for replacing pickup for \$25,000
10. Keep item for vac truck for \$90,000

Moore calculated \$340,000 total for CIPs for water.

Wastewater

Buckwald indicated the following:

1. Postpone to FY21 the I&I basin rehab for \$30,000
2. Keep the air valve actuator for \$6,000
3. Keep the side gate for \$5,000
4. Keep the sliding doors on the U.V. Building for \$15,000
5. Postpone to FY21 the radio reads for \$30,000
6. Keep the roll up doors for shop for \$30,000
7. Keep the wastewater master plan for \$90,000

It was noted that \$20,000 was needed in each wastewater and water for the water rate study.

Moore calculated \$256,000 total for CIPs for wastewater.

Storm Drains

McClung indicated they need to keep as is at \$40,000.

City Hall

Beaucaire explained:

1. Information System Development \$19,000 line was for the new website that will be spread over three years
2. Web Development/App Development \$10,000 line was for the licensing and taxing modules additions to the accounting software
3. Office furniture/layout, equipment for \$75,000 was to move City Hall to the 501 Building (the City will seek to find grants)
4. Meter read interface to Muni-System for \$10,000 was to upgrade the system.

Groth asked if the meter read interface cost would be the same if it were to interface with the new accounting software system. McClung stated that was a reasonable assumption. Beaucaire noted there had been discussion about getting a new firewall, but that was to be determined.

Vaaler asked if there was a breakdown of the \$75,000 for the City Hall move. Beaucaire stated the estimate for the library move project had been \$65,000 for flooring, paint, window replacement, and improvements. She added another \$10,000 to erect a wall.

Streets

Beaucaire summarized:

1. Driftwood at \$60,000
2. W 1st Street at \$100,000 and the City will be applying for a grant in August 2019.
3. Oceanview Drive at \$60,000, noting they might not use it all
4. Horizon Hill Stabilization Study at \$50,000 was a placeholder
5. E 2nd Street at \$100,00 was netted out by a \$100,000 grant, noting this may need adjustment as the E 2nd estimate came in high (\$80,000s)

Visitor Amenities

1. Museum Siding for \$112,000 can be removed because it was a transfer/carryover
2. Ocean View Drive Trail improvements at \$50,000 was for improvements not covered by the county. It was noted this money could be matching funds for grants for the larger project, and there could also be money from 804 Mitigation Fund. If this portion of the trail was part of the missing link of the 804, there might be grant funding.
3. Parking Improvements for \$25,000 was to pave and improve the north side of W 4th Street.
4. City portion of Evans/Betz for \$200,000 was uncertain. Beaucaire noted it was in the budget two years ago, then the project halted and the amount was removed, and now asking to be put back into the budget. Purcell reported the appraisal was in progress. Moore and Purcell discussed that the money would more likely be needed for FY21. Purcell explained the McKenzie Foundation would take some time to pull their funding together. Purcell indicated he would ask McKenzie if they would accept the \$200,000 as part of the FY21 CIP.

Moore noted the total CIP requests were down to \$1.46 million if the \$200,000 for Evans/Betz was pushed back.

BUDGET

1. Fund 668 – South Tank: Beaucaire noted there was a balance of \$211,412 unspent in the South Tank loan fund. She explained several people had searched the documentation to find the source of this money. She explained that prior to getting the loan, there were disbursements from the City of \$165,697 for design and engineering and \$130,922 for property acquisitions. This money either came from SDCs or from Water Reserves, and Beaucaire indicated she would determine which fund it needed to go back to.
2. Library: Beaucaire noted she was adding a line item for maintenance for all buildings based on the International Facilities Management Association standard rate of \$3.50 per square foot for general building maintenance. At 2,016 square feet, the Library line item is \$7,056.
3. LLCM: Beaucaire noted the LLC had spent less than \$1,000 for maintenance and with the new standard, at 2,604 square feet, the maintenance line item comes to \$9,114.
4. Commons: At \$14,500 square feet, the maintenance is \$50,806.
5. Parks & Trails: Beaucaire noted there are lines that have not been previously been included in the budget but have been being funded. She specifically noted \$3,450 for trail conferences, training and registration, training accommodation; \$1,500 for conferences, training and travel, local road travel for trail needs; \$2,000 for evacuation

trial to new fire station (actual amount unknown); \$3,250 for printing; \$500 for New Year's Day Peace Hike buttons; and \$1,500 for food and non-alcoholic refreshments for Trails volunteers. Beaucaire noted the other Commissions and Committees do not have many of these line items. Danos clarified that the allocated labor line entry was for time staff labor on tasks such as picking up and hauling the pulled weeds.

Beaucaire noted the revenues from vacation rentals was slightly lower due to the reduction in licenses.

Purcell asked why the City does not earn interest on the reserves. Beaucaire indicated she was determining how the earned interest was allocated. Moore noted there was \$4 million in the state fund that does earn a decent interest rate.

Loans

1. Water Revenue Bond: Beaucaire summarized the interest was 3.07% and the payoff date was 2032 with 2 payments per year. She noted net revenues from water system were required to be 1.2 times the total debt service. This loan requires \$42,000 in reserve account at Washington Federal.
2. GO Water Bond: 3% interest
3. South Tank: 1% interest and an obligation to transfer \$100,000 from the URD to the City to repay the South Tank loan.
4. Wastewater Plant loan: Beaucaire noted there were two loans wrapped into this section. One is with DEQ at 2.9% plus 0.5 % annual fee and payoff in 2019 that also requires a reserve of \$225,000. The other if with IFA (Infrastructure Financing Authority) at 5% current (rate variable from 2% to 5%) and wastewater rates must be at least 110% of annual debt service.

Beaucaire stated she would continue to incorporate the revisions and schedule a Budget meeting for early May 2019.

V. Other Business

A. From the Committee – none

B. From the Staff – none

C. From the Floor – none

With no further business before the Committee, Beaucaire adjourned meeting at 11:59 am.

Shannon Beaucaire, Chair

Minutes prepared by H.H. Anderson on April 29, 2019.