

1 City of Yachats  
2 **FINANCE COMMITTEE**

3  
4 January 10, 2018

5  
6 Minutes  
7

8 Chair Beaucaire called the January 10, 2018 meeting of the Finance Commission to  
9 order at 10:00 am in Room 1 of the Yachats Commons. Members present: Tom  
10 Lauritzen, Don Groth, John Moore, Jim Tooke. Absent: none. Staff present: City  
11 Manager Shannon Beaucaire, Mayor Gerald Stanley. Audience: 0.  
12

13 Manager Beaucaire announced the 501 Building was broken into last night. She  
14 reported it is closed until it is completely cleaned, Public Works will be cleaning the  
15 area, Newport Glass will measure for tempered glass today, and Public Works will  
16 install temporary coverage of the door.  
17

18 Manager Beaucaire noted the Sheriff's Deputy asked about surveillance recordings.  
19 She suggested video cameras be installed as part of the library move.  
20

21 Dave Buckwald reported he was getting a quote for electrical work on lights around the  
22 501 Building and by steps northeast of the Commons building. He noted the current  
23 bulbs are hard to find, so the electrical quote will include new LED heads.  
24

25 Buckwald reported Public Works pressured washed the curb, and they will apply yellow  
26 paint when they get dry weather.  
27

28 **I. Business**

29 **A. Public Works Department**

30 **1. Equipment/CIP FY2018**

31 Buckwald noted they have received the backhoe, dump truck, and bucket truck.  
32 Buckwald asked about capitalizing the expense for the bucket truck. Lauritzen indicated  
33 there would be a revenue item for the trade-in and a capital expense for the truck.  
34

35 Buckwald talked with Hall's Farm who indicated they would not be accepting bio-solids  
36 in FY2018, so the CIP for the manure spreader can be deferred to FY2019.  
37

38 Buckwald asked whether the Crestview sewer line was a capital item. Lauritzen noted  
39 this project is the first step in removing all the septic tanks. Buckwald indicated he has  
40 been tracking of costs and hours for the installation of the sewer line. Lauritzen noted if  
41 they do capitalize this line, it would have to have a short life. Lauritzen noted there  
42 might be grant money from DEQ for septic conversions. Lauritzen reported the fecal  
43 matter levels coming from the properties on Horizon Hill were some of the highest in the  
44 City and were likely due to old septic systems.  
45

1 Lauritzen explained the original plan was to install a temporary sewer line until they can  
2 get the water and drainage line down Crestview as part of the south water tank work.  
3 Buckwald added the sewer lines must be straight and fall within required slopes so  
4 liquids and solids move together.

5  
6 Buckwald indicated they the sewer line along Crestview needs to be engineered soon in  
7 order to meet timelines of South Tank work. Buckwald asked if Civil West could do the  
8 engineering. Beaucaire noted they would need to send out an RFP, and they could  
9 possibly include this work in their negotiations with Civil West. Buckwald asserted the  
10 time to install the sewer line is when the trench is open for the south tank work.

11  
12 Moore clarified the engineering needs to be completed before the trench is opened.  
13 Buckwald added DEQ would need to approve the plan. McClung indicated the  
14 scheduled date for starting the trench is February 12, 2018, but he believed the work  
15 would not start until March. The work is currently at December 27, 2017 on the work  
16 timeline.

17  
18 Moore clarified that even if the water and sewer lines needed to be in different trenches,  
19 it is more cost effective to do them at the same time when equipment is on site.

20  
21 Lauritzen noted they would need to amend the budget to allow Beaucaire to spend the  
22 money in 2018. Stanley asked if this change would require a vote of Council. Lauritzen  
23 noted adding a new project requires an amendment, but changes in what has been  
24 allocated does not, adding that changes typically have involved pushing funding back  
25 rather than moving it forward.

26  
27 Buckwald asserted the line would be eight inches to service all the lots around  
28 Crestview.

29  
30 McClung estimated new project costs of \$75,000 to include engineering and stub outs,  
31 with \$8,000 going to engineering. Lauritzen recommended making it a two-year project  
32 so they have flexibility with what gets spent in each fiscal year.

33  
34 Buckwald noted they are doing motor repairs that will cost around \$2,000 and some  
35 other repairs to equipment. He believed their budget items should come close to  
36 allocations by the end of the fiscal year.

37  
38 Buckwald noted the speed monitors might have been added to the streets line item,  
39 which explains the current 80% spending level.

40  
41 Lauritzen summarized the following additions to the CIP: sewer line expense, bucket  
42 truck expense, and trade-in income.

43  
44  
45 **2. Driftwood Water line status in current CIP**

1 McClung summarized they abandoned the water line from 4<sup>th</sup> to 7<sup>th</sup> Streets along  
2 Highway 101. He noted the underground utilities along Highway 101 prohibited safe  
3 installation of the water lines. Therefore they had to make connections west of the  
4 highway to complete the circuit. He indicated a cost of \$170,000 to go from 3<sup>rd</sup> to 4<sup>th</sup>  
5 Street and \$95,000 to go from 4<sup>th</sup> to 7<sup>th</sup> Street. McClung believed Public Works could do  
6 the segment behind the Commons in-house, which would enable savings in overall  
7 costs and capitalization of hours. He anticipated a cost of \$50,000 for Public Works to  
8 do the work. He noted they have started this work.

9  
10 Members discussed whether the \$95,000 CIP for the project was in FY17-18 or FY18-1.  
11 Lauritzen noted there was a CIP amendment in September 2017. Lauritzen did not  
12 have the information before him to identify how the item was addressed in the City  
13 budget.

14  
15 Lauritzen noted the September 2017 Budget Resolution has \$195,000 for water but only  
16 \$100,000 in the FY17-18 CIP. Lauritzen indicated the \$95,000 would now be in the CIP  
17 17-18.

18  
19 McClung asked if someone could check to see if Public Works hours have been  
20 capitalized. Lauritzen noted Judy Richter would have this information

### 21 22 **3. 4<sup>th</sup> Street water line connection to homes status**

23 McClung clarified homes are hooked-up on this line.  
24

### 25 **4. Site A/B Clarification on South Tank**

26 McClung clarified the original site cost estimate was 1.6 million plus property to house a  
27 pump station. In addition, this plan would require on-going maintenance. He noted they  
28 could not find property on which to house the pump station. He reported that is when  
29 they decided to move the tank to a lower level. He noted the total cost on the current  
30 site is coming in at 1.6 million, which is cheaper than what would have happened if they  
31 went with site A.

32  
33 Lauritzen clarified the issue was not about the rational but the anticipated costs.  
34

### 35 **5. Street Paving and Engineering Needs**

36 McClung noted the plan was to pave Beach St, W 5th, W 1st, E 2nd, and Prospect Ave  
37 for \$105,900. They had anticipated that W 5th and Beach Streets would be in rough  
38 shape after the highway work. However, these roads remained in good shape.  
39 Engineering is required for W 1<sup>st</sup> and E 2<sup>nd</sup> Streets because of drainage issues, which  
40 might increase the overall costs.

41  
42 Groth asked about tracking work by street versus looking at overall costs. Lauritzen  
43 suggested the Finance Committee set the total amount and Public Works could allocate  
44 that money.  
45

1 McClung would like to recycle the backwash water (30,000 per backwash at one time  
2 per day). He needs to have a system engineered and approved by Health and Safety.  
3 Moore asked about the priority on this project. McClung believed water conservation  
4 will likely be a concern in coming years, and this money would be well spent.

5  
6 McClung stressed the Water Master Plan revision is a priority. To avoid getting to a  
7 Level 3 Alert of water shortage, he would like to see the City be able to access South  
8 Lincoln water during a Level 2 status. In order to plan for this situation, he needs the  
9 Master Plan updated. He would like to bid out the master plan in one piece rather than  
10 over two fiscal years. Moore and Groth agreed this item should be included in the next  
11 CIP (FY18-19).

12  
13 Groth asked if this Master Plan would include sewer, and Buckwald clarified the plan  
14 McClung was addressing is just for treated water. Lauritzen added that the current  
15 Water Plan is nearing the end of its 20-year life.

## 16 17 **6. Engineer of Record**

18 Lauritzen asserted they should not let water and sewer work fall behind while they are  
19 negotiating with Civil West on the South Tank Project. The Committee discussed  
20 options for other engineering companies. Lauritzen believed work would be finished  
21 more smoothly if they did all of their work with a single firm, currently Civil West. Moore  
22 agreed, noting the need to enforce not-to-exceed clauses. Beaucaire indicated she was  
23 planning to initiate the RFP this month.

24  
25 Lauritzen asked if the engineer of record was still Reece. McClung indicated Reece is  
26 the engineer of record and would handle smaller projects up to \$20,000. If they go over  
27 \$100,000, they can issue an RFP.

28  
29 McClung gave Beaucaire a copy of property plot lines around the south tank.

## 30 31 **7. Public Works Crew Utilization in CIP**

32 Lauritzen noted Yachats has 5 FTEs for Public Works, but the operating budget only  
33 covers 3 to 3.5 FTEs. Therefore, a portion of Publics Works time needs to be allocated  
34 to CIP projects. Lauritzen summarized the options are to get more hours capitalized,  
35 raising rates, or reducing staff, noting some of these options are not desirable.

36  
37 Manager Beaucaire asked if Public Works needed more instruction on what to  
38 capitalize. Lauritzen asserted they do a good job of allocating their hours on time cards.  
39 Groth asked who had responsibility for making the labor capitalization happen.

40  
41 Stanley asked if the Budget Committee decided they could not afford a fifth person in  
42 Public Works, would there be an impetus to pursue reducing staff. Manager Beaucaire  
43 was adamantly against reducing staff. Beaucaire explained even if a worker retired, the  
44 position should remain in the structure.

1 Mayor Stanley noted there is a Councilor who believes more staff support is needed at  
2 City Hall. The Committee discussed staffing issues and needs. Lauritzen indicated the  
3 accounting needs are relatively small (100 invoices and payroll for 8 employees every  
4 two weeks), but the demands for public servicing are large.

5  
6 The Committee discussed staffing history and operational models. Manager Beaucaire  
7 noted they need a more welcoming office. Lauritzen believed the Council needs to  
8 decide on a vision of services and figure a way to implement that vision. Beaucaire  
9 added that citizens should be involved in that process.

10  
11 Ideally need P&L statement at Finance Meetings.

### 12 13 **8. South Tank**

14 Beaucaire summarized the current status of work on the South Tank is 2-3 weeks  
15 behind schedule. She suggested they get more clarification on amendments. There is  
16 a meeting with Civil West at 9 am next Thursday, January 18. Groth suggested Rick  
17 Haynes be involved because of his engineering and work experience. Moore will get  
18 Haynes up to speed on the situation.

### 19 20 **B. Library Move**

21 Beaucaire reported the Commission would appoint a new chair tonight. They will be  
22 coming to the Budget Committee with their proposal. Mayor Stanley asked if money  
23 that the Friends organization raises for the move project have to be transferred to the  
24 City before it is usable for work on the building. Beaucaire indicated she has talked with  
25 the attorney about 501(c)3 roles and authorities. The attorney advised they stay at  
26 "arms length" and not get involved in their operations. If a 501(c)3 wanted to raise  
27 money for something, the attorney advised the City to provide criteria for the object of  
28 the fundraising. The Friends would purchase the item, and the City would then send a  
29 thank-you letter noting the donation so that ownership is clearly established.

30  
31 Beaucaire noted the Friends are proposing raising \$500,000 in grant money. However,  
32 they do not yet know costs. She anticipated the project manager would identify the  
33 costs. Tooke asked about occupancy versus interior library interior costs that have  
34 been proposed. Lauritzen noted a previous study indicated 25% of Library usage is from  
35 visitors; therefore a portion of Visitors Amenities funds can be used for library  
36 operations.

37  
38 Lauritzen reported the current budget has 15% of operations for the Library coming from  
39 Visitors Amenities. The Little Log Church was at 75:25% visitors to city funds. The  
40 Commons was at 25:75% visitors to city funds.

41  
42 Lauritzen asserted that projects are more successful when they consolidate before  
43 transforming, adding that the Library should make the initial move then upgrade.  
44

1 Tooke wanted clarification on what monies can come from Visitors Amenities for the  
2 Library move. Lauritzen noted 15% of operations costs can come from Visitors  
3 Amenities, and a similar model would be appropriate for CIPs.  
4

5 The Committee discussed what building improvements must be made before a move.  
6 Tooke indicated the 2+2 Committee and the Library Commission believe Hall funds  
7 cannot be applied to building improvement. Moore noted some aspects are a blend of  
8 occupancy and interior improvement, like the HVAC. Lauritzen noted the 501 as it sits  
9 today met all the requirements of Library from 2013 (based on a previous report), and it  
10 would have cost \$100,000 to expand the current building into garden area (1500 square  
11 feet added).  
12

### 13 **C. CIP Schedule**

14 Moore asked for CIP funding for a revision of the Emergency Operations Plan for FY18-  
15 19 (either 16,000 or 21,000 depending on whether option 4 is included). He  
16 recommended a CIP not to exceed 21,000.  
17

18 Moore reported Parks and Commons is asking for \$10,000 to replace the urinals and  
19 concrete floor in the men's room in FY17-18.  
20

21 Moore noted there are currently \$30,000 in FY18-19 and \$35,000 in FY19-20 for a new  
22 roof for the Commons. He believed the new roof needs to happen in 2018-2019 and  
23 recommended moving the \$35,000 to the FY18-19 budget (\$65,000 total in FY18-19).  
24

25 Moore indicated Dave Rieseck will be at the Parks and Commons meeting next week to  
26 present his plans for the Commons park portals. Moore hoped to have revised estimate  
27 on cost for the four portals at their next meeting. Mayor Stanley stressed importance of  
28 having a portal on W 7<sup>th</sup> Street as an access to the wetlands.  
29

30 Beaucaire noted she has informed Commission Chairs that they need to get their  
31 proposals to the Finance Committee. Lauritzen indicated it was far more important to  
32 get the project into the plan rather than the exact cost.  
33

34 Lauritzen wanted to finalize the CIP schedule by March 31, 2018. He indicated he  
35 would give Council a report for their April 2018 meeting.  
36

37 Lauritzen reported the Urban Renewal District had \$272,000 in assessed tax in the  
38 latest calculation, a growth of \$32,000 from the previous year.  
39

40 **III. Minutes** - postponed to next meeting  
41

### 42 **IV. Other Business**

#### 43 **A. From the Committee**

44 Lauritzen noted they could have additional meetings in the coming months if needed.  
45

#### 46 **B. From the Staff** - none

1  
2 **C. From the Floor - none**  
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4 With no further business before the Committee, Beaucaire adjourned meeting at 12:37  
5 pm.  
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9  
10 \_\_\_\_\_  
11 Shannon Beaucaire, Chair  
12  
13

14 Minutes prepared by H.H. Anderson on February 10, 2018.