

City of Yachats  
**FINANCE COMMITTEE**

February 14, 2018

Draft Minutes

Chair Beaucaire called the February 14, 2018 meeting of the Finance Commission to order at 4:02 pm in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Tom Lauritzen, Don Groth, and John Moore. Absent: none. Staff present: Clerk Judy Richter, Wastewater Plant Lead Dave Buckwald, Water Plant Lead Rick McClung. Also present: Mayor Gerald Stanley. Audience: 1.

**I. Minutes**

**A. December 13, 2017**

Moore moved to approve the December 13, 2017 minutes as redlined: Aye 4; No – 0.

**B. January 10, 2018**

Page 1, Line 33: “would be a revenue item” should be “should be a revenue item”

Page 1, Line 42: “conversations” should be “conversions”

Page 3, Line 15: “September 2017 Budget Resolution” should be “September update of the 2017-18 fiscal year budget”

Page 3, Line 33: “rational should be “rationale”

Page 5, Line 22: “Budget Committee” should be “Finance Committee”

Moore moved to approve the January 10, 2018 minutes as amended: Aye – 4; No – 0.

**II. Business**

**A. Review of FY18 Budget and potential CIP projects**

Lauritzen asked the Committee and Clerk Judy Richter to identify items that were expected to be completed in FY16-17 but were actually completed in FY17-18.

1. Highway 101 Project – overruns and refunds to be summarized next month.

**B. Update on Budget and Process**

Richter and Lauritzen reported:

1. Food and Beverage Tax: approximately \$310,000 has been collected with one quarter of revenues remaining. The budget anticipated \$320,000 for the year, and an estimated 55,000 will likely be collected. This money will go to pay for Sewer Plant debt. Lauritzen noted the loan reserve fund will go up.

2. Transient Rental Income: revenues of \$813,000 were budgeted, current revenues are at \$879,561, and the upcoming last quarter typically generates around \$130,000. Lauritzen noted the City keeps 61% of the overage, and 39% goes to visitors amenities.

1 Lauritzen explained the 501 Building was paid for with \$200,000 from visitors amenities  
2 and \$300,000 from interfund loans from the water and sewer reserves. Lauritzen noted  
3 about \$240,000 is outstanding on that loan balance. Lauritzen, Groth and Moore  
4 agreed this loan should be a priority for using any excess from the general fund.  
5

6 Lauritzen added that the City borrowed money from the SDC fund to build infrastructure  
7 on the east hillside, but they have been crediting the repayments of these SDCs to the  
8 general fund. Lauritzen explained he and Richter applied the lump sum from Bank of  
9 the West to the SDC fund to account for some of the original loan, and they will be  
10 crediting future payments from property owners in the development to the SDC fund.  
11 Lauritzen estimated balance due to the SDC fund is around \$190,000.  
12

13 Richter reported the water and sewer operation funds should last to the end of the fiscal  
14 year. Groth noted from the Public Works meeting looking at numbers through 1/31/18,  
15 water was positive by \$19,000 and sewer was negative by \$17,000, which means the  
16 two offset each other.  
17

18 McClung and Buckwald reported that water and sewer are within the parameters of the  
19 contingency funds. Buckwald reported there are items that need to be completed in  
20 FY17-18. Richter noted she is working with McClung and Buckwald twice monthly to  
21 examine the numbers. McClung noted the new reports are much easier to read.  
22

23 McClung noted there is a culvert that crosses Hanley Rd near 10<sup>th</sup> St that needs repair  
24 and there is a home being built in that area. Due to the depth, Public Works will need to  
25 contract out for around \$6,000, but there is no money left in the storm drain funds.  
26 Moore noted Parks and Commons might have extra funds that could be applied to this  
27 project.  
28

29 McClung asked if there had been discussion of ways to raise money for storm drains  
30 and streets maintenance. Lauritzen stated the storm drain fund has no source of  
31 revenue. McClung reported they are spending a lot of money on tree maintenance.  
32 Richter noted there is no money to address tree maintenance. Buckwald reported they  
33 have spent \$3,800 on tree maintenance and there is a need for \$3,200 to do tree  
34 maintenance on Surfside Dr. Moore suggested they should add a line item for trees in  
35 the streets budget. Lauritzen suggested using \$10,000 of the excess vacation rental  
36 revenues to cover the tree maintenance needs and the Hanley culvert repair.  
37

38 Groth and Lauritzen noted Department 121 materials and services included \$19,000 for  
39 mowing, leaving 13,000 for everything else. Lauritzen asked about the \$5,788 for tools  
40 and small equipment. Richter indicated this money was for highway speed signs  
41 ordered by former Manager Davies. Lauritzen raised a possibility that this item be  
42 capitalized. Buckwald clarified that if the item is capitalized, the signs would need to be  
43 installed by June 30, 2018. Buckwald noted permit applications have been filed with  
44 ODOT.

1  
2 Richter highlighted that the insurance allocation that is \$1,776 over might be attributable  
3 to how she parsed out the allocation, and she will be reexamining the matter. Richter  
4 and Lauritzen estimated total insurance cost for the city to be between \$40,000 and  
5 50,000.

6  
7 Lauritzen and Moore discussed using some of the unused capital for Parks and  
8 Commons to pay for the speed signs.

9  
10 McClung and Buckwald provided a list of remaining work to be done by water and sewer  
11 departments. The total they are requesting is 47,000, but 11,000 of that is already  
12 covered (repairs on dump truck, generator, and clarifier drive could be covered with their  
13 current funds, totaling 11,000). Buckwald clarified they are asking for an additional  
14 \$36,000. This number could be reduced if the Hanley culvert could be capitalized  
15 (\$7,000 total for this project)

16  
17 McClung noted the chemical pumps would be hooked into the SCADA system so that  
18 item might be capitalized. The next upgrade on the SCADA will come with the south  
19 tank. Lauritzen asked if McClung could add these pumps to the SCADA CIP. Richter  
20 noted there is \$10,000 remaining in the SCADA CIP. The committee agreed to cover  
21 the chemical pumps with the current SCADA CIP.

22  
23 The Committee discussed whether insurance would cover \$7,000 of the \$8,000 needed  
24 for tree and fence storm damage and anticipated it would.

25  
26 Buckwald explained the \$3,000 cement pad for the screw press will likely be required as  
27 part of this year's DEQ permit approval. Groth reported the current expenses are at  
28 \$92,492 (budget \$155,300) or 60%. Lauritzen believed there would be enough in the  
29 budget to cover the \$11,000 for Sewer. Lauritzen noted they would need to tweak the  
30 numbers in the line items for the next year.

31  
32 Lauritzen suggested the Fourth of July preparations money be paid for with Visitors  
33 Amenities. Committee members agreed. Lauritzen indicated they add a line of revenue  
34 to the streets fund coming from visitors amenities.

35  
36 The Committee decided the street cut and curb item could be combined with the Hanley  
37 culvert repair to become one \$7,000 CIP. Lauritzen suggested they transfer \$7,000  
38 from additional revenues from transient rental taxes in the general fund to the storm  
39 drain fund. Lauritzen clarified they should add the transient rental taxes to the operating  
40 fund, then transfer from the operational fund to the storm drain fund.

41  
42 Lauritzen indicated the 1<sup>st</sup> St drainage work is an operational expense.

1 Moore moved to move \$10,000 to streets (for trees) and \$7,000 to storm drains from the  
2 unanticipated revenues from transient rental taxes: Aye – 4; No – 0.

3  
4 The Committee discussed why food and beverage tax income was not growing at the  
5 same rate as transient rentals. Richter suggested the restaurants have a fixed amount  
6 of seating so there is no room for growth. Buckwald noted bio-solid output is up 45%  
7 over the past year, indicating a significant increase in the number of people in town.

8  
9 Moore explained the plan for Public Works CIPs. He reported they want to move the  
10 majority of the \$105,900 for the street paving CIP to FY18-19, but to retain 36,500 for  
11 engineering to be done in FY17-18. They want to add to the current \$97,600 for FY18-  
12 19 to bring that total to 203,500 for paving in FY18-19.

13  
14 The Committee discussed the logic of engineering for all the streets to be paved as was  
15 strongly encouraged by Rick Haynes. Lauritzen indicated engineering had not been  
16 required for paving in the past. Lauritzen was concerned about what the deliverable  
17 would be for having done engineering. Beaucaire suggested one factor could be proper  
18 sloping of the pavement to avoid runoff into resident driveways and to avoid ponding so  
19 the street does not prematurely crack or incur alligating. McClung suggested  
20 engineers could provide information on the quantity of asphalt required and hold the  
21 contractor to standards. McClung noted the paving company they previously used  
22 performed well for the 2<sup>nd</sup> St paving. McClung noted drainage issues could benefit from  
23 engineering. Lauritzen was not in favor of having engineering done for all streets.

24  
25 Beaucaire asked what harm would be incurred if the money was allocated but not spent.  
26 Groth added there are two streets that definitely require engineering.

27  
28 McClung indicated he would research if engineering was required for street paving.

29  
30 Moore summarized the four budgets Parks and Commons Commission is addressing:  
31 Little Log Church and Museum, Trails, Commons Building, and Parks and Commons  
32 CIP. He highlighted the \$35,000 currently allocated for the Little Log Church is very low.

33  
34 Beaucaire moved to defer the remaining agenda items to the next month: Aye -4; No -  
35 0.

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37 Beaucaire adjourned meeting at 4:35 pm.

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43 Shannon Beaucaire, Chair

44 Minutes prepared by H.H. Anderson on March 11, 2018.