

1 City of Yachats
2 **FINANCE COMMITTEE**

3
4 June 13, 2018

5
6 Draft Minutes
7

8 Chair Beaucaire called the June 13, 2018 meeting of the Finance Commission to order
9 at 10:02 am in Room 1 of the Yachats Commons. Members present: Shannon
10 Beaucaire, Jim Tooke, and John Moore. Absent: Don Groth. Staff present: Clerk Judy
11 Richter, City Manager Shannon Beaucaire. Audience: 2.
12

13 Beaucaire read an email from Tom Lauritzen in which he indicated he was resigning
14 from the Finance Committee. Beaucaire indicated they need to recruit more people with
15 a financial background to the Committee. Moore suggested they put out call for
16 volunteers on Facebook and in the City Newsletter.
17

18 **I. Minutes**

19 **A. May 9, 2018**

20 Moore moved to approve the May 9, 2018 minutes: Aye – 3; No – 0.
21

22 **II. Business**

23 **A. Discussion of South Tank**

24 Clerk Richter explained her actions regarding the IFA, Michelle Bilberry, and Janna
25 Graham. Graham requested audited statements, which Richter provided. Graham had
26 questions about the FY16-17 water accounts, in which the water fund ended up with a
27 negative balance of \$16,000, but Richter noted they had transferred \$130,000 from the
28 fund for reserves that year.
29

30 Richter explained to Graham there is funding for 14 years in the Urban Renewal District
31 (URA). Graham wanted to cut the loan repayment schedule from 30 to 14 years.
32 Richter noted the URA would cover most of the loan over the 14 years.
33

34 Graham finally agreed to a 30-year term and \$1.7 million amount. Graham is requiring
35 a new pro forma statement and an IGA between the City of Yachats and URA that
36 commits the URA to contribute \$114,000 for each of the next 14 years.
37

38 Tooke clarified the IFA loan was originally \$1.1 million and was increased to \$1.4 million
39 in 2017 for 30 years at 1% interest. Richter noted they are adding an additional
40 \$300,000 to the loan. Tooke also clarified that 10% of the additional \$300,000 is
41 forgivable, making the total forgivable portion \$670,000, leaving a payback of
42 approximately \$1 million.
43

44 Moore commended Richter on her approach and success with the negotiation.
45

1 Mayor Stanley asked how much of this information should be presented to the public.
2 Richter explained the Council would need to pass a resolution to negotiate the loan.
3 Tooke indicated his clarifications gave him enough information to understand the critical
4 components of the loan and repayment plan.

5
6 Tooke clarified the sewer portion of the project is completely separate in terms of
7 funding.

8
9 Mayor Stanley was concerned about people who believed this project was financially
10 problematic. Beaucaire noted the initial RFP for an engineer was in 2014.

11
12 **B. 2017/18 Budget Review**

13 Tooke noted he had heard there were serious concerns over the findings in the audit.
14 Richter noted it was a “clean” audit and “as good as it gets.”

15
16 Mayor Stanley recalled Councilor Frye had stated the audit report made the City look
17 unfavorable. Moore noted such concerns were unfounded based on the audit report.
18 Richter noted there were no red flags, just additional work to be done.

19
20 **Other Business**

21 **A. From the Committee**

22 Beaucaire asked the Committee about how they perceive moving forward for FY18-19.
23 Moore suggested they recruit two to three people. Beaucaire noted they need to
24 discuss reserves and future generations. Richter asked to take July 2018 off, with the
25 understanding they can call a meeting if an issue arises.

26
27 **B. From Staff - none**

28 **C. From the Floor - none**

29
30 Beaucaire adjourned the meeting at 10:59 pm.

31
32
33
34
35 _____
36 Shannon Beaucaire, Chair

37 Minutes prepared by H.H. Anderson on June13, 2018.