

1 City of Yachats
2 **FINANCE COMMITTEE**

3
4 September 12, 2018

5
6 Draft Minutes
7

8 Chair Beaucaire called the September 12, 2018 meeting of the Finance Commission to
9 order at 10:00 am in Room 1 of the Yachats Commons. Members present: Shannon
10 Beaucaire, Jim Tooke, Don Groth, and John Moore. Absent: none. Staff present: Clerk
11 Judy Richter, City Manager Shannon Beaucaire. Audience: 4.
12
13

14 **I. Minutes**

15 **A. August 8, 2018**

16 Moore asked if there was follow-up by Mayor Stanley in talking with the Friends of the
17 Commons about contributions to the floor and roof projects. Mayor Stanley stated he
18 thought that the Friends had already contributed, so he did not approach them again.
19

20 Moore moved to approve the August 8, 2018 minutes as presented: Aye – 4; No – 0.
21

22 Tooke asked what the Friends of the Commons were planning to do with their assets
23 when they disband. Helen Anderson stated that the IRS requires that 501(c)3
24 organizations must distribute their assets to another nonprofit with a similar mission.
25 She noted a nonprofit can give their assets to a government entity.
26

27 **II. New Business**

28 **B. Discussion new CIP needs**

29 Beaucaire reported that the Commons floor estimates are at approximately \$30,000.
30 Beaucaire indicated that she learned the City must pay prevailing wages on the roof
31 project, which could result in their having to outlay another \$40,000 to the roofing
32 company. Clerk Richter explained she estimated the \$40,000 amount based on another
33 bid. She noted she would need to contact the State BOLI (Bureau of Labor and
34 Industries) for the actual figures. Richter reported the current roof invoice has been
35 paid, minus a withholding of \$5,000 contingent upon determining that a recent leak was
36 not due to the new roof.
37

38 Richter reported the Driftwood Waterline project and Hanley Culvert projects were in
39 last year's CIP, but work has continued into the current fiscal year. She indicated they
40 need an additional \$2,000 for paving the Hanley Culvert and \$10,000 for the Driftwood
41 project.
42

43 Beaucaire reported Greg Scott approached her last week to request a refund of the
44 \$15,000 he gifted to the City on July 11, 2018. She indicated she confirmed with Mr.
45 Scott on April 18, 2018 that he would be making his annual gift. She added he was at
46 the Budget meeting where the amount was included in the budget, and he was not

1 present at the meeting when Council passed the budget on June 13, 2018. She stated
2 he asked for a refund on September 6, 2018. She noted Mr. Scott's refund request
3 would be presented to Council at the meeting that night.

4
5 Richter explained the City cannot simply refund the money. The \$15,000 would have to
6 be expensed out of the IT budget and there would need to be a supplemental budget to
7 replenish that amount in the IT budget. Mayor Stanley asked why the Council would
8 need to vote on the refund. Richter explained there has to be an appropriation in order
9 to spend the money. Moore clarified that the money to replenish would need to come
10 from another project out of a reserve fund.

11
12 Beaucaire added that the City is still working with the programmer to fix bugs and keep
13 systems operating. She has also asked the programmer to prepare documentation and
14 develop a mapping of the site in preparation for working with the new website project.
15 Richter added that Clerk Jackson reported the current licensing system is not yet set up
16 to address 2019 activity, and they typically send out business license renewal notices in
17 November. Richter was not certain of the amount of time needed to make that fix.
18 Beaucaire reminded the Committee that the programmer, Mark Clements, is the only
19 one who can do this work as the software is highly customized.

20
21 Groth recalled there was a \$5,000 CIP for updating the Emergency Operations Plan
22 update, which was not spent. Helen Anderson asked how much of the \$15,000
23 allocated to database development had been spent. Beaucaire stated they were
24 expecting an invoice from Clements and did not have a current figure. Richter noted
25 there was \$79,000 in reserves. Groth clarified there were no anticipated large draws
26 from this reserve. Beaucaire reminded the Committee the roof would likely cost
27 \$40,000. Anderson asked if there was a way to estimate the cost of programmer work
28 for the rest of the year and to refund the portion that was not used. Groth suggested
29 that decision was a Council question rather than a Finance Committee issue.

30 31 **A. Discussion of Budget and Reserve Generation**

32 Richter explained the numbers on the large sheets could not be guaranteed to be
33 accurate. She indicated she could stand by the last two years of figures that she had
34 input herself.

35
36 Moore asked about the large transfers in the water accounts. Richter explained that
37 those numbers were the \$650,000 for Highway 101. Groth asked about the \$374,000
38 on the last page of food and beverage tax revenue. Richter noted that money is
39 earmarked for the sewer debt.

40
41 Moore summarized that the total reserves were \$1.8 million at the end of 2016, \$1.6
42 million at the end of 2017, and \$1.5 million now after covering the \$650,000 highway
43 expense. Moore indicated the goal would be to increase that \$1.5 million by \$200,000
44 to \$300,000. Richter reported water and sewer have a goal of \$100,000 in reserve
45 generation.

1 Mayor Stanley asked where the money coming back from the south tank project would
2 go. Richter explained there would be no refund as the agreement is that IFA would
3 forgive a portion of the debt, which will not appear as a line item. Richter reported IFA
4 has not yet provided the paperwork for the additional \$300,000 borrowed. Richter noted
5 the City has drawn all it can from the current funding for the project, so this additional
6 money is needed to pay the remaining bills for the project.

7
8 Moore asked if there was anything other than optimism for another great tourist season
9 to increase revenues. Moore noted they typically spend \$100,000 per year for streets
10 maintenance, and with a recommendation to do more engineering prior to repavement,
11 this cost would cover less area.

12
13 Richter explained that water and sewer were an enterprise fund, so the City cannot
14 direct those revenues into the general fund. However, she noted the City could add a
15 franchise tax to the water and sewer collections that could go to the general fund that
16 could be used for streets. Groth asked if the water billing system could be used as a
17 vehicle to collect a tax. Richter stated such an amount would have to be clearly
18 identified as a franchise fee.

19
20 Mayor Stanley suggested that people might not react adversely to a new fee on the
21 water bill. Moore asked Mayor Stanley if he thought people would accept a \$75 annual
22 increase in their water bill collections. Anderson noted the recent \$1.75 per month
23 additional fee for garbage was not popular. Mayor Stanley wondered if people would be
24 more accepting of a fee if they better understood why it was needed. Moore speculated
25 it would take a significant effort to reach all 750 residents with educational messages.

26
27 Beaucaire reminded the group that the City has many competing large cost issues to
28 consider, such as improved infrastructure and the purchasing of property to preserve
29 view sheds and watersheds or to store raw water. She noted the cost per person of
30 such projects is much greater in a smaller community.

31
32 Moore suggested they City could consider increasing the transient rental tax, and it
33 might be prudent to see what other cities are charging for their tax. Richter clarified
34 approximately 40% of the transient rental tax goes to visitors amenities.

35
36 Tooke reported he saw in documents from the League of Oregon Cities that a street
37 and bridge inventory was required before a city get funding. Beaucaire indicated she is
38 aware of the need for the survey and has it on her list of things to do.

39
40 Richter added that the City could have a local option levy, noting that the City's
41 permanent levy generates very little money for the City.

42
43 Richter noted that a supplemental budget requires a five-day posting before the
44 meeting. Richter stated she would like to include all of these issues in one
45 supplemental budget rather than doing it piece meal. The Committee discussed the
46 timing of anticipated expenses and when the supplemental budget needs to be done.

1
2 Moore asked Richter to provide Bob Bennett with a copy of the five-year spending plan
3 for Public Works.

4
5 Moore asked what the state and county add-on taxes were for transient rentals. The
6 owner of Deane's stated the state portion is 1.8%. The county rate is 10% while the
7 City's is 9%.

8
9 **C. Discussion of finding new members**

10 The person from Deane's was interested. Richter noted would need to complete a
11 volunteer application.

12
13 Mayor Stanley added that the Council is considering having liaisons on Committees and
14 Commissions. Beaucaire suggested Mayor Stanley and the Council learn more about
15 the liaison system Newport has before moving forward with a system in Yachats.
16 Beaucaire also added that she is exploring options of getting staff more involved with
17 Committees and Commissions to lend greater support and add an element of continuity.

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20 **III. Other Business**

21 **A. From the Committee** - none

22 **B. From Staff** - none

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

24
25 Beaucaire adjourned the meeting at 11:12 am.

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31 Shannon Beaucaire, Chair

32 Minutes prepared by H.H. Anderson on October 6, 2018.