



**1. CALL TO ORDER**

Mayor Ruede called the Tuesday, May 12<sup>th</sup> meeting of the Dunes City Budget Committee to order at 2:00 pm.

**2. ROLL CALL**

Roll Call was taken by City Administrator/Budget Officer Fred Hilden.

**Present:** Mayor Rebecca Ruede, Council President Jamie Mills, Councilor Ken Platt, Councilor Sheldon Meyer, Councilor Maurice Sanders, and citizen members April Dumas and Robert Read.

**Also Present:** Budget Officer Fred Hilden.

**Absent and Excused:** Councilor Ed Scarberry, Councilor Duke Wells and citizen members Rob Ward and Wally Shoults (there are three citizen member vacancies).

**3. PLEDGE OF ALLEGIANCE**

All who were present stood for the Pledge of Allegiance.

**4. MOTION TO APPROVE THE AGENDA**

**Council President Mills made a motion to approve the Agenda. Councilor Meyer seconded the motion. The motion passed by unanimous vote.**

**5. ANNOUNCEMENTS – None**

**6. APPROVAL OF THE MEETING MINUTES FOR MAY 5, 2015**

**Councilor Meyer made a motion to approve the May 5<sup>th</sup> Budget Committee meeting minutes as submitted. Council President Mills seconded the motion. The motion passed with five votes in favor and one abstention (Councilor Sanders).**

**7. CONTINUE PRESENTATION/REVIEW OF 2015-2016 BUDGET**

Mayor Ruede called upon Budget Officer Hilden to lead the discussion.

Budget Officer Hilden suggested changing the Water Meter line item in the Water Rights Compliance Fund from \$1,000 to \$1,800, bringing the Total Materials and Services to \$7,200, the Total Expenditures to \$44,989 and Total Requirements to \$55,000.

Budget Officer Hilden went on to point out a concern about the State Street Fund's Emergency Road Fund line item expressed by citizen member Rob Ward. The proposed budget is for \$10,000 and Mr. Ward explained to Mr. Hilden that he would like to see the amount increased.

There was some discussion about the matter, with Budget Officer Hilden noting that \$10,000 would not go far if there was a catastrophic event that affected City roads. Mayor Ruede pointed out that in the past there was more money available in the State Street Fund but the idea merited further discussion later during talk about the proposed budget for that specific Fund.

Mayor Ruede directed everyone's attention to page one of the proposed budget and explained that the Committee should consider the proposed amounts line by line, page by page and note the amounts agreed upon.

Citizen member Bob Read asked Budget Officer Hilden to estimate how much it cost the City to collect the proposed \$3,000 revenue for Business License Fees. Budget Officer Hilden explained that the Business License Fee Ordinance did not allow the City to make money on issuing business licenses. During discussion Mr. Read suggested that the City Council consider dropping the line item and stop issuing business licenses. Councilor Sanders remarked that, in his opinion, the license issuing process helped to protect City residents from potentially harmful vendors and helped to regulate home-based businesses in the City. Council President Mills agreed that the City Council should further explore issuing business licenses.

Council President Mills went on to suggest that the Communication and Education Committee line item be increased from zero to \$500 to provide for septic and emergency preparedness education discussed during goal setting sessions. She also suggested increasing the Website line item from \$100 to \$600 and reducing the Codification line item from \$7,000 to \$6,000 or eliminating the Codification expense this year all together in order to create a truly balanced budget.

Returning to discussion about the Emergency Road Fund item, Councilor Meyer asked whether money could be shifted from one State Street Fund line item to another if necessary to increase the Emergency funds. Budget Officer Hilden explained that within a particular Fund, Personal Services and Materials and Services expenses cannot exceed budgeted amounts, but allocations for individual line items can be changed. Mayor Ruede suggested further discussion of the matter during discussion of the State Street Fund budget.

Budget Officer Hilden turned conversation back to the issue of Business License Fees by noting that his estimate for the cost to the City was about \$1,500 per year. It was generally agreed that the key issue on business licenses is that some vendors are required to purchase licenses while others are not and the Council should look into the issue.

Councilor Sanders suggested the possibility of using more of the RTMP funds to offset Personal Services expense in all Funds.

Mayor Ruede directed the Committee's attention back to page one of the proposed budget and asked whether there were any change suggestions, other than the Business License Fee allocation that, for now, would not change. Councilor Sanders requested an explanation of the decrease in Total Resources for 2015-2016. Budget Officer Hilden explained that the decrease was primarily due to the decrease in the Beginning Fund Balance amounts with last year's being higher due to legal fees associated with work on Chapter 155, the Comprehensive Plan and the Master Transportation Plan.

Returning to discussion of page two of the proposed budget, there was some discussion about the proposed allocation for Medical Insurance, Bond and Insurance and Telephone expenses. The changes previously suggested by Council President Mills were discussed. It was agreed that the proposed \$6,000 allocation for Codification should be reduced to zero for the coming fiscal year.

Moving on to discussion of page three of the proposed budget, there was some discussion about whether the Contingency allowance should be based on a percentage of the budget or a flat dollar amount and whether any of the expenses could be eliminated. Councilor Sanders suggested that the Contingency amount should be reduced from \$25,000 to \$7,500 with the balance of the \$25,000 (\$17,500) being allocated to Unappropriated Ending Fund Balance.

Citizen member Read remarked that cuts could possibly be made to some line item expense allocations. Councilor Sanders requested permission to comment further. Mayor Ruede agreed, noting that his remarks should pertain to the discussion at hand. Councilor Sanders left the meeting.

Council President Mills suggested that the allocation for Legal expense be increased from \$18,000 to \$20,000 and the Contingency reduced to \$10,000 rather than \$7,500 in case the City should need to hire outside help for a project or projects. There were no objections to the suggestion.

Mayor Ruede called for a recess at 2:58 pm and reconvened the meeting at 3:07 pm.

There was some further discussion about reducing the Contingency with Mayor Ruede noting that the Budget Committee should demonstrate fiscal responsibility by carefully considering the budget allocations. Council President Mills asked whether there was a need to allocate funding for Capital Outlay in the General Fund on page three. It was agreed that it was not necessary to do so in the General Fund.

Mayor Ruede moved the discussion to page four, Building Codes Fund, of the proposed budget. Councilor Sanders rejoined the meeting. He suggested moving the \$1,500 Cash on Hand to the General Fund; there were no objections. There were no changes to the expense allocations on page five.

There was some discussion of the Cash on Hand allocated to the State Street Fund. Budget Officer Hilden suggested changing the allocation from \$180,000 to \$190,235 and removing the No Brushing line item. There were no objections. Discussing the expense allocations in the State Street Fund, it was agreed to reduce Legal expense from \$3,000 to \$1,000, keep Street Brushing at \$10,000 and educate residents about the importance of maintaining their street frontage, and reduce Miscellaneous from \$1,000 to zero. During discussion of the Street Maintenance line item, Councilor Sanders suggested that the allocation be increased from \$56,614 to \$70,000 in case bids for the proposed work come in higher than originally estimated. There were no objections. Discussing the Emergency Road Fund, Councilor Sanders suggested reducing the allocated amount from \$10,000 to \$7,500. There were no objections. Citizen Committee member Read complimented the Road Commission on their diligence in maintaining the roads and oversight of the budget.

There was a discussion about the Tourism/RTMP/Marketing allocation and uses for the funds. No changes to the allocation were recommended. Following discussion about the General Operating Contingency, it was agreed to reduce the allocation from \$12,000 to zero

and move the \$12,000 to Personal Services. There were no objections. It was generally agreed to ask the Budget Officer to look at allocating additional Personal Services funding out of the RTMP money across all of the Funds and report his recommendations at the next budget meeting.

Discussing the Water Rights Compliance Fund expenditures, there were no changes suggested other than those agreed upon earlier in the meeting. No changes to revenue allocation were suggested. It was agreed that Staff should continue to look for ways to reduce the allocation for Personal Services in the Water Fund. There was some discussion about the process for the City to perfect its shared domestic water rights and the potential cost. It was suggested that a line item dedicated to this issue be added to the Motel Tax/Tourism Fund as "Recreational Asset Preservation" and add a line in the Water Rights Fund "Water Right Preservation" funding that with \$12,000 out of the Water Rights Fund contingency. It was agreed to fund the Reactional Asset Preservation with the \$12,000 originally allocated for Contingency in the Motel Tax/Tourism Fund.

Budget Officer Hilden explained that a State-proposed increase in PERS contribution would not have an effect on any City employees because none are Tier I or Tier II.

**8. APPROVAL OF 2015-2016 BUDGET – None**

**9. CITIZEN INPUT ON BUDGET – None**

**10. CONFIRM NEXT MEETING DATE**

It was agreed that the next meeting would be as scheduled on Tuesday, May 19 at 2:00 pm.

**11. ADJOURNMENT**

**Council President Mills made a motion to adjourn the meeting. Councilor Sanders seconded the motion. There was no vote taken. Mayor Ruede adjourned the Dunes City Budget Committee meeting at 4:44 pm.**

The proceedings of the Dunes City Budget Committee meeting were recorded, and are on file at Dunes City Hall. Upon approval by the Dunes City Budget Committee, these minutes will be available at Dunes City Hall and online at [www.dunescity.com](http://www.dunescity.com)

**APPROVED BY THE BUDGET COMMITTEE ON THE 19<sup>th</sup> DAY OF MAY 2015.**

[Signed copy available at City Hall]

Rebecca Ruede, Mayor

ATTEST:

[Signed copy available at City Hall]

Fred Hilden, City Administrator/Budget Officer