



**1. CALL TO ORDER**

Mayor Ruede called the meeting of the Dunes City Budget Committee to order at 4:00 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, Councilor Ed Scarberry, Councilor Duke Wells.

**Also Present:** Budget Officer Fred Hilden, Administrative Assistant Renee Green and Administrative Assistant Rapunzel Oberholtzer.

**Absent and Excused:** Citizen members April Dumas and Wally Shoults (there are four citizen member vacancies).

**3. PLEDGE OF ALLEGIANCE**

All who were present stood for the Pledge of Allegiance.

**4. INTRODUCTION OF NEW MEMBERS**

There were no new members.

**5. MOTION TO APPROVE THE AGENDA**

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

**6. APPROVAL OF THE MEETING MINUTES FOR MAY 13, 2014**

**Councilor Scarberry made a motion to approve the May 13, 2014 meeting minutes as submitted. Council President Mills seconded the motion. The motion passed by unanimous vote.**

**7. REVIEW OF 2014-2015 BUDGET VS ACTUAL (7/2014-12/2014)**

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

Budget Officer Hilden referred to the spreadsheet Bank and Fund Balances as of July 1, 2014 and reviewed the checking and savings balances as of July 1: \$4,977 in the Checking 2 account from which bills are paid and \$315,219 in the Money Market Account.

Budget Officer Hilden went on to review the ending balances of the various funds, noting that the 911 Fund and the City/County Road Fund are no longer used. The balances as of July 1, 2014 were: \$41,849 in the General Fund, \$19,488 in the Building Code Fund, \$190,117 in the State Street Fund, \$31,403 in the Motel Fund, and \$37,589 in Water Rights Fund.

Referring to the spreadsheet Revenue & Expense Budget vs. Actual (All Funds @ 6 Months), Budget Officer Hilden reviewed income highlights noting that the numbers reflect actual per-

centages of budgeted amounts for the first six months of the fiscal year, although some line items, such as the garbage franchise, are invoiced and paid only once a year and do not, therefore, reflect a 50% value. Key highlights:

- General Fund Revenue was at 41.5% of budgeted and on track to meet target later in the fiscal year.
- Building Code Fund Revenue was at 33.1% and overall on track to meet year end goals.
- In the State Street Fund, there was no revenue from permits and fines but there was \$56.80 in miscellaneous income from the sale of a street sign. The State highway apportionment is just slightly over budgeted amount, and income from the budgeted ODOT grant and other grants is not expected to materialize. There is an \$18,000 transfer to the State Street Fund coming from an incorrect allocation last year.

Budget Officer Hilden discussed highlights of the Fund expenses:

- In Personal Services, the General Fund was at 51.7%, the Building Code Fund was at 50% and the Street Fund was at 50%.
- In Materials and Services, \$5,500 is budgeted in the General Fund for the annual audit that will be done in 2015. Also in the General Fund, legal expenses are, to date, below the \$18,000 budgeted amount. In general, the General Fund Materials and Services expense is below projections.
- In the Building Code Fund, Building Department expense was running at 32.8% and overall expenses at 34% of budgeted amount.
- There is a \$25,000 contingency in the General Fund and \$20,000 in the Building Codes Fund. Budget Officer Hilden remarked that he hoped neither of those contingencies would be used.
- In the State Street Fund, all of the expenses related to last year's street maintenance project have been paid with expenses running at 53.4% of budget. Councilor Sanders noted that the Street Fund appeared to be on track to close under budget. Budget Officer Hilden pointed out that the \$10,000 budgeted for road emergencies has not yet been touched.

Looking at the Motel Tax Fund Revenue, Budget Officer Hilden noted that the budgeted amount was \$22,830 but, to date, \$21,716 has been received, likely due to an increase in tourism in the area.

Discussing the Water Fund Revenue, Budget Office Hilden recognized the outstanding efforts of City Staff to identify residents who were out of compliance with the use of Woahink water rights, collecting permit fees and getting water meters installed. As a result of their efforts, there is \$1,750 in application fees, with only \$550 budgeted. With \$12,665 collected for administrative fees, the Water Fund was at 106.4% of revenue.

There was some discussion about where the expense for proposed web cameras would go. Budget Officer Hilden pointed out the "website" line item in the Motel Fund, noting that there was ample funding available.

There was some discussion about funds available to promote the Triathlon. Budget Officer Hilden pointed out that the Motel Fund could legitimately be used to promote any event in the Dunes City area that increases tourism and the revenue from that event would go into the General Fund. During discussion it was suggested that, at some point, a City Staff member could be appointed to contact various organizations and generally manage volunteer efforts and that Staff person could be compensated out of the Motel Fund. Budget Officer Hilden agreed that that would also be a legitimate use of the funds.

Moving on to discuss Fund Expenses, Budget Officer Hilden pointed out that Personal Services/Administrative Wages was slightly over budget at 58.5% and \$853.00. He noted that the overage could possibly be worked off during the remainder of the fiscal year but the overage, as a percent of the total budget, was miniscule at about 0.08% of the Materials and Services budget. In other Fund Expenses, the line item Water Meters was at 212.2% over budget. Budget Officer Hilden explained that this was due to City Staff ordering water meters for residents on Woahink Lake water permits, but the overage in that line item would not be an issue for the bottom line.

There was some discussion about the budgeted projections compared to the actual numbers as of December 31, 2014 and whether the City would be over or under budget at the end of the fiscal year. Budget Officer Hilden remarked that he expected Administrative Services to come in right at budget, expenses substantially under budget and revenue at budget and, as a result, ending balances could be \$10,000-\$20,000 under budget.

Looking at the spreadsheet Bank and Fund Balances as of December 31, 2014, Budget Officer Hilden noted that the \$18,000 listed as an expense to the State Street Fund should have been recorded as revenue for the State Street Fund, but the totals are correct as presented.

There was a brief discussion about the funds available in the Motel Fund and the requirement that they must be spent. Included in the discussion was mention of using some the funding to buy printed material and promotional items for the Triathlon and for paying for some of the expense of water testing and website updates out of that fund. Budget Officer Hilden agreed that the Motel Fund could be used as those expenses relate to promoting tourism.

There were no further questions and no further discussion of the budget review. Budget Officer Hilden turned the meeting over to Mayor Ruede. Mayor Ruede thanked Budget Officer Hilden and City Staff for being conservative and transparent with the budget and encouraged Councilors to seek potential Committee members to fill the citizen vacancies, noting that citizen input is vital to the City budgeting process.

There was some discussion about City Staff and ways for the City to show appreciation for the work they do. During discussion it was noted that there hasn't been the Staff turnover and the need for extensive training that there was a few years ago. Councilor Wells suggested looking into the possibility of having Staff on City payroll, rather than on Cardinal Services payroll, as a way to show appreciation for their loyalty and support.

Councilors requested that Budget Officer Hilden begin work on the budget meeting schedule for this year.

There was no further discussion.

**8. ADJOURNMENT**

**Councilor Scarberry made a motion to adjourn the meeting. Council President Mills seconded the motion. There was no vote taken. Mayor Ruede adjourned the Dunes City Budget Committee meeting at 4:47 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 5<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