



1. CALL TO ORDER

Mayor Ruede suggested that Committee members take a few minutes prior to the start of this meeting to read the minutes of the February 10th Budget Committee meeting. Mayor Ruede called the Tuesday, May 5th meeting of the Dunes City Budget Committee to order at 2:15 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 Ed Scarberry, Councilor Duke Wells, and citizen members April Dumas, Robert Ward and Robert Read.

Councilor Maurice Sanders was present via telephone.

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

Absent and Excused: Citizen member Wally Shoults (there are three citizen member vacancies).

3. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

4. INTRODUCTION OF NEW MEMBERS

Mayor Ruede asked everyone present to introduce themselves to the new members and then introduced new citizen members Robert (Bob) Read and Robert (Rob) Ward, who were appointed to the Budget Committee during the May 5th City Council Special Session.

5. MOTION TO APPROVE THE AGENDA

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

6. ANNOUNCEMENTS

Mayor Ruede announced that State Senator Roblan and his office staff will register a team to participate in the coming 3rd Annual Oregon Dunes Triathlon and Duathlon. Mayor Ruede also noted that it is possible that State Representative Caddy McKeown will also have a team in the event.

7. APPROVAL OF THE MEETING MINUTES FOR FEBRUARY 10, 2015

Council President Mills made a motion to approve the February 10 Budget Committee meeting minutes as submitted. Councilor Meyer seconded the motion. The motion passed with six votes in favor and three abstentions (Councilor Sanders, Bob Read and Rob Ward).

8. REVIEW OF 2014-2015 BUDGET VS ACTUAL (7/2014-3/2015)

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

Budget Officer Hilden explained that the Budget vs. Actual figures for the first three quarters of this fiscal year provide a starting point for building the Budget for fiscal year 2015-2016.

Budget Officer Hilden went on to point out that General Fund revenue from Events/Fundraisers and Newsletter Ads have exceeded projections for the year with other revenue about as projected, excepting Telephone Franchise income which is paid once annually and will appear later when it is paid. Committee member Read noted that Business License Fees and Septic Admin Fees were lower than projected; Budget Officer Hilden explained that those categories were both over budgeted last year and will be adjusted in the proposed budget for next year.

Budget Officer Hilden explained the difficulty of accurately projecting revenue for the Building Codes Fund, noting that income projections are required by law but actual numbers can vary greatly depending upon building activity in the City. Looking at the State Street Fund revenue, he pointed out that grant money anticipated for this fiscal year did not materialize but the Fund would benefit from a transfer of \$18,000 from the Building Codes Fund. The State Highway Apportionment is about on track for the year.

Budget Officer Hilden discussed highlights of the Fund expenses:

- In Personal Services, the General Fund, Building Codes Fund and Street Fund, the expense is tracking as anticipated at about 75%.
- In Materials and Services, the General Fund overall is at about 54% of projections for the year with three quarters of year gone; no issues are anticipated. In the Building Codes Fund, expenses are overall tracking at about 57% with no issues or money transfers expected by fiscal year end. In general, the Street Fund has benefitted from strict oversight by the Road Commission with expenses running at about 62% of budgeted and only a few thousand dollars expected to be spent on engineering for street projects to be done later this year. There was a brief discussion about street brushing with Councilor Sanders noting that some brushing would be done using savings left in this year's Street Fund and other projects addressed during the budget discussions for next year.
- Contingency Funds in the General Fund and the Building Codes Fund are not expected to be touched this year.

Looking at the Motel Tax Fund revenue, Budget Officer Hilden noted that the budgeted amount from the Lane County Motel Tax is over budget at about 96% of projected revenue with another quarter of the year remaining to bring in revenue, 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 use water from Woahink and to bring them all into compliance with required permits and fees.

Personal Services for both the Motel Fund and the Water Fund are on track at about 75% for the year so far.

Looking at expenses for the Motel Fund, Budget Officer Hilden noted that \$12,000 was budgeted for an emergency generator to be located at City Hall. That expense will be offset by a recent \$15,000 grant from the Ford Family Foundation that will be recorded in the 2015-2016 budget. In addition, the \$10,000 budgeted in the RTMP line item will be used to cover expenses associated with the Oregon Dunes Triathlon and Duathlon.

Committee members congratulated Budget Officer Hilden on the clear presentation.

9. CONFIRM BUDGET COMMITTEE CHAIRMAN (FY 2015-2016)

Mayor Ruede requested a motion to appoint a Budget Committee Chairperson for the 2015-2016 fiscal year.

Councilor Sanders made a motion to nominate Mayor Ruede as Budget Committee Chairman. Council President Mills seconded the motion. The motion passed by unanimous vote.

10. 2015-2016 BUDGET SCHEDULE AND BUDGET MESSAGE

It was agreed by all that the Budget Committee would meet each Tuesday until the Budget was finished, as outlined in the Budget Schedule distributed by Budget Officer Hilden during the meeting.

Budget Officer Hilden distributed copies of his prepared Budget Message and proceeded to read aloud highlights:

- The Budget Message and proposed budget are provided pursuant to ORS 294.391 and, as mandated by State law, the budget is balanced between total resources and requirements.
- The proposed budget has been compiled using beginning fund balances from last year's review by the City auditor and actual expenses from July 1, 2014 through March 31, 2015 using projects for expenses that will be incurred during the last quarter of this fiscal year and, if necessary, adjust to account for any substantial expenses that may be incurred during the last quarter of 2014-2015.
- Although not required by State budget law, this year the Budget Committee conducted regular quarterly reviews of the City's financial performance.
- The City has, again this year, held the line on expenses.
- A budget "review" is scheduled again for the fiscal year 2015-2016, the fifth year that a review rather than a full audit has been done. Budget Officer Hilden will recommend a full audit for fiscal year 2016-2017.
- Most of the Funds are in good shape, although Budget Officer Hilden will recommend a greater contingency in the Building Codes Fund to provide for anticipated growth in new home construction.
- In summary, the City cannot lose any current sources of revenue and must focus on identifying new sources as well as leveraging assets the City already owns.

Mayor Ruede thanked Budget Officer Hilden for the positive and encouraging message.

11. PRESENTATION/REVIEW OF 2015-2016 BUDGET

Budget Officer Hilden suggested reviewing the proposed 2015-2016 budget page by page and taking questions on line items as they arise, noting that specific input/change suggestions will be addressed at the next Budget Committee meeting. He went on to distribute copies of the Bank and Fund Balances as of 12/31/14 (Pre-Audit) spreadsheet, noting that those ending fund balances were used to create the Available Cash on Hand line item for each fund in the proposed 2015-2016 budget.

(Councilor Sanders excused himself from further telephone participation in the meeting at approximately 3:35 pm.)

Discussing the proposed General Fund Available Cash on Hand amount of \$42,000, Committee member Ward noted that the amount was significantly lower than the amount budgeted for fiscal year 2014-2015. Budget Officer Hilden pointed out that in 2014-2015, there was a significant expense for legal fees due to revisions to the City's Comprehensive Plan, Zoning and Development Code and the Master Transportation Plan. There was also some discussion about the increased revenue projection for Liquor Tax which Budget Officer Hilden explained was based on anticipated additional revenue from tax on liquor sales, not from marijuana sales tax, with some "padding" to ensure adequate revenue. Council President Mills noted that one of the City's goals was for a truly balanced budget where revenue was not overstated and expenses kept in line with actual revenue.

Budget Officer Hilden pointed out a proposed 4.7% increase in Personal Services across all of the Funds to provide a salary increase for the City Administrator/Recorder, an increase that was not budgeted or taken during fiscal year 2014-2015. There was some discussion about a potential increase in PERS contribution; Budget Officer Hilden offered to look into the matter and report back at the next Budget Committee meeting. Committee member Ward asked whether the 4.7 increase applied to other City Staff; Budget Officer Hilden replied in the affirmative. Council President Mills noted that there may be an increase in the member contribution to WLEOG, but the WLEOG Board is still discussing the matter and the budget for this year.

Looking at the proposed budget for the Building Codes Fund, Budget Officer Hilden noted that \$18,000 would be moved from that Fund to the Street Fund. He also pointed out that there may be a planning grant available and that would be actively pursued this year.

Discussing the State Street Fund, Budget Officer Hilden pointed out that the beginning balance might be slightly understated, and he noted that he, Road Commission Chairman Maurice Sanders and Public Works Director Gary Baker planned to meet with ODOT's Fanny Brindle to talk about Dunes City's needs and the potential for ODOT to help the City. There was some discussion about what the Council might want to see in cash carried forward, or minimum amount on hand. Budget Officer Hilden explained that the subject has been discussed from time to time, along with the projected diminishing cash available in the Street Fund. He also explained that there was a potential for the Street Fund to drop below \$120,000 by the end of the year, even with the projected ODOT apportionment of \$74,500.

Council President Mills noted that a handout describing potential insurance premium savings was distributed at a recent WLEOG meeting and suggested that Staff might be able to identify actions that could result in savings as well as meet with the City's insurance providers to

find other potential savings. There was a brief discussion of the \$56,614 allocated to street maintenance on Russell Drive and Rio Road with Budget Officer Hilden explaining that the bulk of the cost (about \$54,000) would be for Russell Drive work and that these two areas were the only two that the Road Commission determined important to complete this summer.

Moving on to discussion of the Motel Tax/Tourism Fund, Budget Officer Hilden pointed out that he was projecting an increase to \$13,500 in the Lane County Motel Tax revenue due to increased tourism in the area but the RTMP revenue is expected to remain consistent at \$10,500. There was some discussion about covering the cost of street brushing, the website improvements and the Oregon Dunes Triathlon and Duathlon out of the RTMP funds that are available as all of those expenses relate to tourism in Dunes City.

Looking at the Water Rights Compliance Fund, Budget Officer Hilden explained that he did not expect significant changes from last year's budget except that he would like to increase the amount budgeted for the water meter application fee to cover the cost of installing new water meters; he suggested increasing the line item for water meters from \$1,000 to \$1,800.

Discussing page 13 of the proposed budget (Resources and Requirements), Budget Officer Hilden noted some of the number totals may not reconcile, but that should be corrected for the next budget meeting.

12. CITIZEN INPUT ON BUDGET – None

13. CONFIRM NEXT MEETING DATE

It was agreed that the next meeting would be 2:00 pm on Tuesday, May 12th.

14. ADJOURNMENT

Councilor Scarberry made a motion to adjourn the meeting. Councilor Meyer seconded the motion. There was no vote taken. Mayor Ruede adjourned the Dunes City Budget Committee meeting at 3:40 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.

APPROVED BY THE BUDGET COMMITTEE ON THE 12th 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