



1. CALL TO ORDER

Mayor Ruede called the Tuesday, February 23rd meeting of the Dunes City Budget Committee to order at 4:10 pm.

2. ROLL CALL

Roll Call was taken by Interim City Administrator/Budget Officer Jamie Mills.

Present: Mayor Rebecca Ruede, Council President Maurice Sanders, Councilor Sheldon Meyer, Councilor Duke Wells, Councilor Ed Scarberry, Councilor Tom Mallen, and citizen members Ken Pesnell, Rob Ward, and Brett McKnight.

Absent and Excused: Councilor Ken Platt and citizen member Jim Ryan.

Absent: Citizen members Stuart "Wally" Shoults and Larry Overman.

Also Present: Interim Budget Officer Jamie Mills and Administrative Assistant Rapunzel Oberholtzer.

Mayor Ruede welcomed new Budget Committee members Councilor Mallen, Mr. Pesnell and Mr. McKnight.

3. MOTION TO APPROVE THE AGENDA

Council President Sanders made a motion to approve the Agenda amended to reflect the correct date of February 23, 2016. Councilor Scarberry seconded the motion. The motion passed by unanimous vote.

4. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

5. APPROVAL OF THE MEETING MINUTES FOR MAY 19, 2015

Council President Sanders made a motion to approve the May 19, 2015 Budget Committee meeting minutes as submitted. Councilor Mallen seconded the motion.

There was a brief discussion about whether or not Committee members who were not present at the last Budget Committee meeting could vote to approve the minutes. There was no consensus but it was suggested and agreed that a Committee member present at the last meeting should second the motion to approve the minutes.

Councilor Mallen withdrew his second for the motion. Councilor Meyer seconded the motion. The motion passed with five votes in favor and three abstentions (Messrs. Ward, McKnight and Pesnell).

6. REVIEW OF 2015-2016 BUDGET VS ACTUAL (07/2015 – 02/2016)

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

Budget Officer Mills pointed out that the date at the top of the spreadsheets should be July 1, 2015 to February 4, 2016 rather than December 1, 2015 to February 4, 2016.

Budget Officer Mills noted that this Budget vs Actual report represents about half of the fiscal year at 58.3% of the year complete. She explained that 58.3% is significant because any line items showing a higher percentage may raise questions. She also noted that there are a few line items for which the budget projection fell short of the actual expense but in other items the budget projection was more than the actual expense, meaning that overall the budget balances out and does not need any amendments.

Mr. Ward asked Budget Officer Mills how she felt about the budget numbers going into the second half of the year. She explained that she felt the City was well positioned and that one of the things that could help cut costs was if the City Administrator position remained at an hourly wage and less than full time. She noted that the PERS contribution increase that has been discussed from time to time as it relates to the City Administrator's pay will probably not take effect until next year.

Council President Sanders suggested discussing each fund separately. There were no objections.

Council President Sanders asked for an explanation of the Contingency amount on page 2, where budgeted amount is \$10,000 and actual is \$10,450. Budget Officer Mills explained that the overage was associated with the separation package paid to the now retired City Administrator and, going forward the percentage should balance out as projected.

Budget Officer Mills remarked that she had been surprised by the cost of the audit this year, as it was significantly more than budgeted. She went on to explain for the benefit of new Committee members that Dunes City's audit is not a full audit every year, but is a review and that a full audit is conducted every five years. The cost for a full audit next year was estimated to be about \$12,000.00 but could be as much as \$16,000.

There was a brief discussion about how the budget figures are formatted for presentation. Budget Officer Mills explained that the budget should be prepared on a State-required form L-20 but that form is not compatible with the City's financial software so the budget is done using Quickbooks, which is not easily formatted to be easier to read.

Council President Sanders requested an explanation of the difference between expenses and revenue in the Building Fund which, he noted, should be a pass through fund. Budget Officer Mills noted that there was a balance forward from last year so the Fund is not over budget but, historically, the City has not raised fees to cover Staff costs which means the City is losing money by not recouping its costs for doing business. She also noted that the numbers should balance out more closely by the end of the fiscal year. It was suggested that perhaps the City Council should consider appointing an ad hoc committee to review the City's fee schedule and make a recommendation for action to the Council if fees are too low.

There was some discussion about the need to also revisit the allocations for Staff and City Administrator time to the various funds to make sure the allocations are accurate.

Turning to discussion of the Street Fund, Council President Sanders explained that the Street Fund will run out of money in a few years because of cost of road maintenance exceeds the Fund's revenue. He went on to explain that there are certain things the City can do to prolong the life of the available funds, such as hire a contractor to be the City's Public Works Director, turning off some of the City's lights to reduce the light bill. He also noted that the Road Commission is working on its maintenance projects for this year with some possible slurry seal work and ditching and/or culvert repair, all of which are under review by the City Engineer. When the cost estimates are received, the Road Commission will submit its funding requirements to the Budget Committee for review. Depending on costs the Road Commission may do all of the work or only a portion of it this year.

Council President Sanders asked Budget Officer Mills if there was any discussion with Cardinal Services regarding a proposed increase in minimum wage in Oregon. Budget Officer Mills explained that the legislature is still debating that issue but the new requirement for paying sick leave may have an impact on City administrative costs. That issue is yet to be resolved, but Cardinal Services and Budget Officer Mills are tracking the sick leave accruals and Budget Officer Mills will keep the Budget Committee apprised of any changes in costs to the City.

7. ADJOURNMENT

Council President Sanders made a motion to adjourn the meeting. Councilor Scarberry seconded the motion. There was no vote taken.

Mayor Ruede adjourned the Dunes City Budget Committee meeting at 4:53 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 26th DAY OF APRIL 2016.

[Signed copy available at City Hall]

Rebecca Ruede, Mayor

ATTEST:

[Signed copy available at City Hall]

Jamie Mills, Interim City Administrator/Budget Officer