



1. CALL TO ORDER

Council President Jamie Mills called the meeting of the Dunes City Budget Committee to order at 5:04 pm.

2. ROLL CALL

Roll Call was taken by City Recorder Fred Hilden.

Present: Council President Jamie Mills, Councilor Dick Anderson, Councilor Richard Koehler, Councilor Troy Sathe, Councilor Ed Scarberry, Councilor Duke Wells, Jo Owen, Jackie Crave, Maurice Sanders, Paul Floto and City Recorder/Budget Officer Fred Hilden.

Absent and Excused: Mayor & Budget Chairman Rebecca Ruede, April Dumas, Robert Read and Darlene Beckman.

3. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

4. APPROVAL OF THE AGENDA

Maurice Sanders made a motion to approve the Agenda. Jackie Crave seconded the motion. The motion passed by unanimous vote.

5. APPROVAL OF THE BUDGET COMMITTEE MEETING MINUTES

Maurice Sanders made a motion to approve the October 25, 2011 minutes as presented. Paul Floto seconded the motion. The motion passed by unanimous vote.

6. CITIZEN INPUT ON BUDGET - None.

7. REVIEW OF 2011-2012 BUDGET VS. ACTUAL FOR THE FIRST HALF

Budget Officer Fred Hilden stated that with all activity associated with the Ordinances that are coming through the City it put him three weeks behind in the audit. He filed a request for an extension that was approved until February 28th. He announced that he has received the draft and it has been reviewed and approved. At Paul Floto's request, he asked the auditor if he could share a copy of the audit for the meeting and the response was "no" as it had not been signed by the auditors. Paul Floto asked if he could provide an idea on where we are with cash balances by fund. Budget Officer Hilden stated that the beginning cash balance on the General Fund was \$55,081 for this budget year, the beginning cash balance for the Building Codes Fund was \$8,403, the beginning cash balance for the State Street Fund was \$207,049 and he will comment on that in a moment. The Motel Tax Tourism Fund had a beginning balance of \$45,251, the Water Rights Compliance Fund \$45,130 and the 911 Fund was \$1,600. Budget Officer Hilden continued stating that the State Street Fund is about \$33,000 less then we projected last year but \$25,000 of that is a result of a grant that didn't arrive until July. The 911 Fund should be 0 but as you recall we had to move money into that

fund so that we didn't overspend by 10% as required by law. As we approach the next budget cycle we will pass that \$1,600 back to the General Fund.

Budget Officer Fred Hilden stated that as we look at the Budget vs. Actual report you will note our performance to budget is excellent. He is still a little concerned with the revenue being soft and the legal fees associated with the Land Use Board of Appeals (LUBA) suit. During the last meeting Robert Read asked for some calculations that would discharge the impact of the School Tax on the Building Codes Fund. The difference you will see goes from 25.1% to 26.6%. Doing the same thing with the expense side you will note the difference of 38.2% to 52%. We have solved the building department services overspending by negotiating a new agreement, but it did not go into effect until February 1st. At this time, he does not believe we will be over budget on Material & Services in the Building Codes Fund. As you can tell from the revenue side we continue to be off substantially although we are seeing homes pick up as Councilor Sathe had mentioned.

Councilor Sathe would like the Budget Officer to mention how good the Road Budget has been. Budget Officer Fred Hilden stated that was a good point and that the Road Commission has been very prudent on how they budgeted last year and even more prudent on their spending and will be coming in well under budget. Hats off to the Road Commission on the sheer amount of volunteer hours due to the storm and as a result saved the City money.

Paul Floto noticed that the combined loss for the first six months, which is about 20% of the cash we had to start with and asked the Budget Officer if he thinks we will break even at the end of the year. Budget Officer Fred Hilden stated that we have substantial Revenues coming in at the end of the year and that we will be in good shape by then. Councilor Richard Koehler stated that by his calculations that the City is running in a deficit of \$3000 for the year and should look for more ways to generate income also, under dues, what does that encompass. Budget Officer Hilden stated those are for RLID and LCOG and will be lowered with the new contract. Councilor Koehler brought up the outstanding bill from LCOG as some of the members might not know about that. Budget Officer Hilden stated that when the previous Council decided not to use the services of LCOG there was a \$14,000 debt that never got handled. The new Council had no knowledge of this and when notified of this issue LCOG was willing to reduce the debt by 50% with a two year contract with payments starting in July of this coming year.

Councilor Sathe asked the Budget Officer where in the Water Fund it shows the water collection fees. Budget Officer Fred Hilden stated that the City collected \$12,312.50 and the discrepancy lies in the fact that we budgeted \$150 per home and lowered that fee to \$100. Council President Mills stated that she shared Mr. Floto's concern on raising fees and charging citizens more money for revenue and that the fees have not been looked at in time and maybe that needs to be re-visited.

Council President Mills asked the Budget Officer if he thought if the office could run on a three person staff instead of 4. The Budget Officer Hilden stated the office runs on a 2.6 because of the hours and he is currently looking at that and would like to see personal services come down another 10%-15%.

8. ITEMS OF CONCERN

Councilor Koehler would like to see the garbage fee raised since it has not been raised since 1986 and we need to have more revenue coming in and would also like to see a cut in Staff. Councilor Sathe agreed with Councilor Koehler's comments. Councilor Wells stated that the

only concern is the LUBA lawsuit and feels the City did everything legally and hopes we can get through this.

9. CONFIRM NEXT MEETING DATE

The tentative next meeting date was confirmed for Tuesday, April 24, 2012 at 5:00 pm.

Councilor Sathe introduced Road Commissioner Richard Palmer. The Budget Committee welcomed Richard Palmer.

10. ADJOURNMENT

Council President Mills asked for a motion for adjournment.

Paul Floto made a motion to adjourn the meeting. Maurice Sanders seconded the motion. The motion passed by a unanimous vote. Council President Mills adjourned the Dunes City Budget Committee meeting at 6:10 pm.

The proceedings of the Dunes City Budget Committee meeting were recorded on tape, 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 24th DAY OF APRIL 2012.

Rebecca Ruede, Mayor

ATTEST:

Fred Hilden, City Recorder/Budget Officer