



1. CALL TO ORDER

Mayor Ruede called the meeting of the Dunes City Budget Committee to order at 3:00 pm.

2. ROLL CALL

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

Present: Mayor Rebecca Ruede, Council President Jamie Mills, Councilor Dick Anderson, Councilor Maurice Sanders, Councilor Ed Scarberry, Councilor Duke Wells, Darlene Beckman, George Burke, Jim Clark, April Dumas, Paul Floto and City Recorder/Budget Officer Fred Hilden.

Absent: Jackie Crave.

3. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

4. INTRODUCTION OF NEW MEMBERS

Budget Officer Fred Hilden introduced Jim Clark as a new member of the Budget Committee. Self-introductions by all members followed.

5. APPROVAL OF THE AGENDA

Budget Officer Hilden explained that the minutes for February 19th have not been completed so the agenda needs to be amended to reflect that. Councilor Sanders requested that item 12 (Citizen Input on Budget) be moved up to just after item 5 (Approval of the Agenda).

Paul Floto made a motion to approve the Agenda as amended. Council President Mills seconded the motion. The motion passed by unanimous vote.

6. CITIZEN INPUT ON BUDGET

Mayor Ruede asked if the only citizen in the audience (Mary Jo Leach) if she had any input on the budget. Mrs. Leach stated not at this time, but she may have questions later.

7. ANNOUNCEMENTS

Mayor Ruede stated that she was pleased to announce that US Bank had acquired the "title" sponsor position for the upcoming inaugural Oregon Dunes Triathlon and that it will be called the "US Bank Oregon Dunes Triathlon and Duathlon."

8. APPROVAL OF THE MEETING MINUTES FOR FEBRUARY 19, 2013 (Removed from Agenda)

9. REVIEW OF 2012-2013 BUDGET VS ACTUAL (7/2012 – 3/2013)

Budget Officer Hilden explained that this review would cover the first three quarters of revenue and expense, budget vs. actual for this fiscal year, July 2012 through March of 2013. Mr. Hilden stated that the quarterly review meetings that have been conducted have been very

valuable in providing continuity throughout the year in preparing for the next year's budget cycle.

Budget Officer Hilden reviewed the General Fund revenue explaining that actual revenue is 83% of budget, through 75% of the fiscal year. The Cable TV franchise fee is coming in about one month later than normal and the Telephone Franchise fee is about 18% under budget. This may be somewhat offset by increases in Cable fees as people switch their phone to cable. Mr. Hilden explained that he anticipates being right on budget at the end of year.

Building Codes Fund Revenue is substantially over budget, the result of increased permit activity, also resulting in increased work load on staff. We have already received more revenue than expected for the entire year and we will complete the year well over budget. State Street Fund revenue is about where it should be. Excluding the budgeted grants that will not be received, this fund will finish this year slightly over budget because of the FEMA reimbursement.

Mr. Hilden explained that all of the Personal Services expenses for the General, Building Codes and State Street Funds are exactly where he wants them at 71-72% of budget with 75% of the year completed. Councilor Sanders inquired about the City Recorder pay adjustment and Mr. Hilden answered that these figures included the adjustment and one-time bonus approved by Council in March. Jim Clark inquired about the budgeted transfers into the General Fund and Mr. Hilden explained that this amount would be moved from the 911 Fund before the end of this year.

In materials and Services, Mr. Hilden noted that he was pleased that General Fund legal fees are only 61% of budget. In the Building Codes Fund we have already spent 108% of budget but we are enough below budget in other line items that we will not need to transfer any contingency. Again, thanks to the hard work of the Road Commission and frugal spending, we are well under budget in the State Street Fund. There is one remaining major expense planned through the end of this fiscal year and that is in Engineering-Supervision. Councilor Sanders explained that the Road Commission is preparing all the planning and bid expense for this summer's ditching projects now, since we have budget and to ensure the work gets completed during July and August.

Budget Officer Hilden reviewed the revenue and expense for the Motel Fund, which is in great shape. He also thanked the City Council for taking necessary action on getting our RTMP (Rural Tourism Marketing Fund) expenses in line with income. This has included replacement of the Siltcoos River Dam Portage, enhancements to the web site and the Triathlon event.

Mr. Hilden commented that the only real issue with the Water Rights Fund is collection of the past due invoices for service. Invoices that remain past due will be turned over to a collections agency that charges an extra fee to cover their costs. Discussion took place on various means to collect these accounts including filing of liens, etc.

Councilor Sanders inquired about a breakdown in the percentages of Administrative Wages across the various funds and whether the Budget Officer expected these to change any from what is represented this year. Mr. Hilden commented that he did not have the specific percentages in front of him, but he would be happy to provide them. He went on to say that he does not expect any changes in these percentages from this year to next.

The Budget Officer reviewed the 911 Fund and pointed out that 2 quarters of revenue and expense have been recorded through 75% of the year.

Mr. Hilden commented that overall we are well under budget and none of our contingency budget will be spent this year. Several members of the committee expressed their satisfaction with the City's overall budget performance this year. Jim Clark clarified that we are upside down if it hadn't been for the FEMA reimbursement.

Chairman Ruede called for a five minute recess at 4:02 pm and reconvened the meeting at 4:07 pm. A brief discussion took place regarding time tracking and Mr. Hilden pointed out that it is extremely difficult to keep detailed time records with constant interruptions. He also commented that we are holding expenses substantially closer to revenue this year than in the past several years. Additionally, if we hadn't needed to record a reserve against received but unspent revenue, our net assets through June 30, 2012 would have increased by \$2,700. At a request from a citizen, Mr. Hilden explained that the total accounts receivable in the Water Rights Fund is \$4,800.

10. CONFIRM BUDGET COMMITTEE CHAIRMAN

Councilor Sanders made a motion to appoint Mayor Ruede as this year's Budget Committee Chairman. Paul Floto seconded the motion. The motion passed by unanimous vote.

11. 2013-2014 BUDGET MESSAGE

Budget Office Hilden read the 2013-2014 Budget Message into the record, attached to these minutes as Exhibit A. There were no questions on the Budget Message.

12. PRESENTATION / REVIEW OF 2013-2014 BUDGET

Budget Officer Hilden reviewed the content and format of the budget forms, including the source of information for them. He went on to review the proposed General Fund beginning balance and revenue. Council President Mills inquired about line item 19 (Septic License Fees) and Mr. Hilden replied that this item needs to be reviewed by staff. A brief discussion took place on line item 18 (Septic Fees).

In reviewing the General Fund Requirements, Mr. Hilden explained that he is proposing a 2½% increase in Personal Services consistently across all funds. This is all "merit" and nothing for cost of living. He pointed out that the Materials and Services and Contingency are in line with current expense levels. In the Building Codes Fund, the Budget Officer proposed a new contingency item for unplanned revenue and expense. Councilor Sanders questioned the need for this and Mr. Hilden agreed that the other option is to overstate some other line item.

The State Street Fund revenue includes \$300,000 in grant money that we are pursuing for projects including Ocean Blvd. Proposed expenses include adequate funds to perform all the maintenance work currently being considered by the City. Mr. Hilden pointed out that this will be the last year our budget will include the City/County Road Partnership Fund.

There was a brief discussion about breaking the Motel Fund into two pages. The budget Officer will investigate this possibility.

The Budget Officer provided a brief overview of the Water Rights Compliance Fund, explaining that line item 20 (Meters as a capital expense) are being moved to line item 14 (Water Meters) as a Materials and Services item since they are only a \$200 expense.

George Burke commented that the City needs to move many of the current meters from inconvenient locations (under houses, etc.) to a more convenient location perhaps on or near the City's right-of-way. This needs to be dealt with and will be proposed to the City Council. Mr. Hilden provided some background on this issue and that we do have \$13,000 in proposed contingency that could be used for this function. Jim Clark had a bad experience with this year's meter readers and asked that the City ensure they have proper City identification. Councilor Sanders proposed City shirts for these individuals.

Finally, Budget Officer Hilden reviewed the Resources and Requirements for the Emergency Communications Fund and the overall Budget Summary.

13. CONFIRM NEXT MEETING DATE

Mayor Ruede confirmed that the next meeting date is next Tuesday, May 7th at 3:00 pm.

14. ADJOURNMENT

Mayor Ruede asked for a motion for adjournment.

Jim Clark made a motion to adjourn the meeting. Councilor Sanders seconded the motion. There was no vote. Mayor Ruede adjourned the Dunes City Budget Committee meeting at 5:20 pm.

The proceedings of the Dunes City Budget Committee meeting were recorded digitally, 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 7th DAY OF MAY 2013.

[Signed copy available at City Hall]

Rebecca Ruede, Mayor

ATTEST:

[Signed copy available at City Hall]

Fred Hilden, City Recorder/Budget Officer