



**BUDGET COMMITTEE MEETING MINUTES ~ APPROVED
APRIL 30, 2013 AT 3:00 PM**

City Hall ~ 82877 Spruce St., Westlake, OR

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. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE MEETING MINUTES FOR FEBRUARY 19, 2013

Councilor Sanders made a motion to approve the February 19, 2013 meeting minutes as presented. Councilor Scarberry seconded the motion. The motion passed with one abstention (Jim Clark).

6. ANNOUNCEMENTS

Mayor Ruede stated that she met with Florence Mayor Nola Xavier and selected an applicant of the "If I Were Mayor" contest. This person will be invited to the next City Council meeting. There is one selection for Florence and one for Dunes City. Councilor Anderson requested an update on the triathlon. Budget Officer Hilden explained that we have 16 registrations at the time and good weather appears to be in store. He also indicated that the race director has requested daily water temps in Woahink Lake and this will be provided. Councilor Sanders asked about the status of the Honeyman State Park permit and Mr. Hilden responded that the application has been completed. Mayor Ruede stated that we have received some coupons from a local business to be inserted in the participants swag bags. Councilor Wells commented that he is working on hand-carved wooden bowls for the top eight finishers. Mayor Ruede commented that she has had email correspondence with the Mayor of Boston regarding that recent event tragedy. Mr. Hilden indicated that in addition to US Bank acquiring the title sponsorship, PeaceHealth, River House Inn, Siuslaw News and Coast Radio have also joined as sponsors. Additional promotion efforts are needed.

7. CITIZEN INPUT ON 2013 – 2014 BUDGET

Mary Jo Leach provided everyone with a chart she had prepared on the Water Rights Compliance Fund. Mrs. Leach's comments are summarized as follows. She began by stating that they are now one of the people who will be subject to collections as they have not paid their annual fee. She provided some background on Woahink Lake water rights. After forty-five years we are basically back where we started. Meter readings that are supposed to be performed annually have only been performed five times in the last nine years; as a result we say we are under budget. This is a task that is required legally. She is committed to transparency and she would like to see a review of all water rights compliance as this information is available on the internet. We need to wake up and help ourselves. This committee has the responsibility to look into these problems and come up with realistic costs to administer this fund.

Paul Floto inquired about the difference between Siltcoos and Woahink water rights. Council President Mills provided clarification. Budget Officer Hilden also added that Siltcoos water rights are still available and they are not available on Woahink Lake because the in-stream water rights on Woahink Creek (between Woahink and Siltcoos Lakes) are maxed out.

8. PRESENTATION / REVIEW OF 2013-2014 BUDGET (CONTINUED)

Budget Officer Hilden commented that he had committed to have an income and expense graph for 2003 through 2013 and he provided that handout. He explained that the spike in 2003-04 expense was the Kiechle Arm Road improvement project. The reduction in income that has taken place since 2007 is the result of the Federal timber money administered through the City/County Road Partnership Fund has dried up. The jump in revenue during 09-10 was the result of a \$94,000 Federal grant we received through ODOT and the same year we spent a large amount on slurry seals in street maintenance. As is evident, the City has done a great job of bringing expenses in line with revenues.

Mayor Ruede explained the process we are going to use to review the budget. We will go through it one page at a time, fund by fund, recommendations or revisions will be considered by motion. After discussion, that motion will either pass or fail. Budget Officer Hilden distributed written budget input received from Councilor Sanders. Councilor Scarberry commented that this is not a complicated 2 or 3 inch budget, it is straight-forward and the Budget Officer knows where these funds need to be and he (Councilor Scarberry) doesn't want to get into managing these funds at a micro level.

Councilor Sanders commented that he thinks line items 18 and 20 (Septic Fees and Fundraisers) should be zero. Mayor Ruede added that she has already asked the Budget Officer to change line 20 from "Festival of the Lakes / Fundraisers" to "Events / Fundraisers." Budget Officer Hilden commented that his proposed budget was conservative based on the expectations of future events and the uncertainty of revenue from enforcement of the septic ordinance. Paul Floto, Councilor Scarberry, Councilor Anderson and Council President Mills indicated their support for leaving the septic fees at \$2,500. Councilor Sanders expressed his concerns about residents' motivation to comply with Ordinance No. 203.

Councilor Sanders made a motion to approve page one of sixteen (General Fund Resources) as presented. George Burke seconded the motion. The motion passed by unanimous vote.

Paul Floto inquired whether the Budget Officer was going to provide a breakdown of the percentages by fund for Personal Services. Mayor Ruede responded “yes.” Budget Officer Hilden stated that the breakdown is that the General Fund is 46.2% of the total, Building Codes Fund is 6.5% of the total, State Street Fund is 24.9% of the total, Motel Fund is 10.9% of the total and the Water Rights Fund is 11.5% of the total.

Councilor Sanders made a motion to approve page two of sixteen (General Fund Requirements) as presented. Jim Clark seconded the motion. George Burke asked whether adequate legal funds were being budgeted for legal review of the code changes being proposed. Mr. Hilden replied that it was. Mayor Ruede asked whether the codification budget had been updated to reflect current costs. Mr. Hilden replied that the budget reflected an updated estimate from our vendor. Darlene Beckman expressed her concern that the legal budget wasn’t adequate to cover legal review of code updates. **The motion passed by nine ayes and one nay (Darlene Beckman).**

Councilor Sanders inquired about the increase in General Fund Contingency from \$18,000 to \$25,000. Budget Officer Hilden explained that he was proposing the increase to allow for additional spending and some additional for legal contingency. **Councilor Sanders made a motion to approve page three of sixteen (General Fund Capitol, Contingency & Transfers) as presented. Councilor Anderson seconded the motion. The motion passed by unanimous vote.**

Mayor Ruede asked for changes to Building Codes Revenue. Councilor Sanders stated that he didn’t see the point in adding line item 17 (Permit Contingency – New). Mr. Hilden stated he agreed with Councilor Sanders. **Councilor Sanders made a motion to approve page four of sixteen (Building Codes Fund Revenue) as amended by changing line item 17 to zero and increasing line item 22 (School Tax) from \$20,000 to \$25,000. Paul Floto seconded the motion. The motion passed by unanimous vote.**

On Page 5 (Building Codes Requirements), Budget Officer Hilden explained that the changes in Building Codes Revenue necessitate changing line item 9 (Permit Contingency – New) to \$0 and line item 19 (School Tax) to \$24,750. Paul Floto added that the Ending Fund Balance would increase by \$50. **Paul Floto made a motion to approve page five of sixteen (Building Codes Fund Requirements) as amended. Councilor Scarberry seconded the motion. The motion passed by unanimous vote.**

Councilor Sanders made a motion to approve page six of sixteen (State Street Fund Revenue) as presented. George Burke seconded the motion. The motion passed by unanimous vote.

On Page 7 (State Street Fund Requirements), Jim Clark inquired about changing line item 13 (Engineering / Contract Services) to Public Works Director. Mr. Hilden explained that change will be included when the next printout of the budget document occurs including the amounts approved by the Budget Committee. Jim Clark also inquired about the increase in this line item. Mr. Hilden responded that the proposed budget reflects the amount expected to be spent next year. Councilor Sanders agreed. Councilor Sanders proposed revising line item 21 (Street Brushing) from \$4,000 to \$1,000; line item 23 (Street Maintenance) from \$80,000 to \$14,000 and line item 27 (Engineering / Supervision) from \$20,000 to \$4,000. He added that this brings the budget in line with planned expense in light of the fact that we cannot bleed down this fund when we need funds in the future for slurry seals and critical road

maintenance. Council President Mills expressed concern about whether these reductions would allow maintenance of park-like facilities in the road right-of-way. Jim Clark asked the Budget Officer why his proposed budget for street maintenance was \$80,000. Mr. Hilden replied that the \$80,000 was based on known projects that street funds could be used for. Mr. Hilden concurred with Councilor Sanders changes. **Councilor Sanders made a motion to approve page seven of sixteen (State Street Fund Requirements) as amended. Paul Floto seconded the motion. The motion passed by unanimous vote.**

Mayor Ruede called for a five minute recess at 4:25 pm. The meeting was reconvened at 4:32 pm.

Councilor Sanders made a motion to approve page eight of sixteen (State Street Fund Capitol) as amended (ending fund balance). Paul Floto seconded the motion. The motion passed by unanimous vote.

Council President Mills made a motion to approve pages nine, ten & eleven (City/County Road Partnership Fund - All) as presented. Paul Floto seconded the motion. The motion passed by unanimous vote.

Jim Clark asked about line item 4 on page 12 (Motel Tax / Tourism Fund) and Mr. Hilden replied that this item is a reflection of year to date results and what he expects to continue into next year. **Councilor Sanders made a motion to approve page twelve of sixteen (Motel Tax / Tourism Fund) as presented. Councilor Scarberry seconded the motion.**

George Burke inquired about the amounts taken out of this fund. Mr. Hilden replied that tourism takes a substantial amount of staff time is consumed responding to tourism questions, the community center and the kiosk, etc. His objective is to not spend any more out of this fund than we take in. **The motion passed by unanimous vote.**

George Burke reminded everyone of the concerns he stated last week regarding the need to upgrade the location of water meters – to move them out of the house or from under the house for them to be more easily read. Council President Mills replied that the \$13,000 in contingency funds should cover this expense if approved. **Councilor Sanders made a motion to approve page thirteen of sixteen (Water Rights Compliance Fund) as presented. Jim Clark seconded the motion. The motion passed by unanimous vote.**

Council President Mills inquired about page fourteen line item 14. Budget Officer Hilden replied that “Water Quality Control” is being changed to “Water Meters” as they are not capital expenditures and should be moved from Capital Outlay to Materials & Services. **George Burke made a motion to approve page fourteen of sixteen (Water Rights Compliance Fund - Requirements) as amended. Councilor Scarberry seconded the motion. The motion passed by unanimous vote.**

Councilor Sanders made a motion to approve page fifteen of sixteen (Emergency Communications 911 Fund) as presented. Paul Floto seconded the motion. The motion passed by unanimous vote.

Councilor Sanders inquired whether page sixteen of sixteen would be adjusted with all the changes. Paul Floto made a motion to approve page sixteen of sixteen (Budget Summary) as amended. Council President Mills seconded the motion. The motion passed by unanimous vote.

9. CONFIRM NEXT MEETING DATE

Jim Clark made a motion to hold our next Budget Committee meeting on Tuesday, May 7th. Paul Floto seconded the motion. Councilor Scarberry stated he may not be able to make the meeting on May 7th. **The motion passed by unanimous vote.** Mayor Ruede confirmed that the next meeting date is next Tuesday, May 7th at 3:00 pm.

10. ADJOURNMENT

Mayor Ruede asked for a motion for adjournment.

Councilor Sanders made a motion to adjourn the meeting. Councilor Scarberry seconded the motion. There was no vote. Mayor Ruede adjourned the Dunes City Budget Committee meeting at 4:50 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