



1. CALL TO ORDER

Mayor Ruede called the meeting of the Dunes City Budget Committee to order at 2:00 pm.

2. ROLL CALL

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

Present: Mayor Rebecca Ruede, Council President Jamie Mills, Councilor Dick Anderson, Councilor Maurice Sanders, Councilor Sheldon Meyer, Councilor Ed Scarberry, Councilor Duke Wells, Budget Officer Fred Hilden, and citizen members April Dumas, George Burke, Wally Shoults, and Paul Floto.

Absent and Excused: None (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 noted that there were no new members to introduce.

5. MOTION TO APPROVE THE AGENDA

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

6. ANNOUNCEMENTS

Mayor Ruede reminded everyone that the Oregon Dunes Triathlon and Duathlon is on May 10th and noted that volunteers were still needed to help staff the event.

7. APPROVAL OF MEETING MINUTES FOR FEBRUARY 25, 2014

Councilor Sanders made a motion to approve the February 25th, 2014 meeting minutes. Councilor Scarberry seconded the motion. The motion passed by unanimous vote.

8. REVIEW OF 2013-2014 BUDGET VS ACTUAL (7/2013-3/2014)

Mayor Ruede requested that Budget Officer Hilden review the July 2013–March 2014 budget versus actual for the Committee.

Budget Officer Hilden pointed out that the budget reflects 75% of the year's expenditures and revenue and went on to highlight significant line items.

On the revenue side, the General Fund revenue is about what should be expected at this time of the year. The Building Code Fund is over budget on the expense side but will be covered by the contingency setaside; Budget Officer Hilden pointed out that permit activity has increased not only due to new construction, but also with building upgrades resulting in an increase in the number of various permits issued. State Street Fund revenue is about where it should be for the year.

Budget Officer Hilden went on to address the expense side of the budget. In the General Fund, Personal Services is at 75% of budget, where it should be, but maintenance and repair on the City Hall is higher than anticipated due to unexpected repairs that were needed, and the legal expense is tracking to be slightly over budget but will be offset by charging some of that to the State Street Fund for work done on the Master Transportation Plan. In the Building Code Fund, Personal Services is also on target, but the Building Department Materials and Services are over budget—the overage will be covered by contingency funds the City Council will need to authorize. In the State Street Fund, Personal Services is at about 75% where it should be and there are no significant issues elsewhere in that fund, but Budget Officer Hilden pointed out that the City continues to save a substantial amount of money on street repairs because of volunteer work by citizens.

Looking at the Motel Tax/Tourism Fund, Budget Officer Hilden noted that revenue was as projected. The Water Rights Compliance Fund shows Administrative Fees higher than budgeted largely due to past due fees that staff is working to collect. Expenses for both Funds are about as budgeted.

9. CONFIRM BUDGET COMMITTEE CHAIRMAN (FY 2014–2015)

Mayor Ruede requested a motion to select a Budget Committee Chairman for Fiscal Year 2014–2015.

Mr. Floto made a motion to elect Mayor Rebecca Ruede as Budget Committee Chairman. Councilor Sanders seconded the motion.

There were no other nominations.

The motion passed by unanimous vote.

Council President Mills made a motion to close the nominations. The motion was seconded by an unidentified male. The motion passed by unanimous vote.

Mayor Ruede called for a break at 2:28 pm and reconvened the meeting at about 2:30.

10. 2014–2015 BUDGET SCHEDULE AND BUDGET MESSAGE

Budget Officer Hilden directed Councilors' attention to the Budget Schedule included in their meeting information packets, noting that the schedule calls for weekly meetings through May 20th and a final approval on the 27th, but it could be possible to finalize the budget in a shorter time frame. He went on to note that the Budget Hearing notice will be sent out on May 29th and the Budget Hearing will be held during the City Council meeting on June 12th.

Budget Officer Hilden presented the 2014–2015 FY Budget Message and transmittal of the Proposed Budget by reading it aloud and went on to discuss the highlights. Notably, the draft budget was created by using ending fund balances from the auditors' review of FY 2013–2014, the actual expenses from July 1, 2013 through March 31, 2014 and projections for expenses that will be incurred in the fourth quarter of this fiscal year, including funding for street maintenance. The final budget will be adjusted to reflect any significant expenditures during the fourth quarter. The Budget Committee's quarterly reviews have helped to provide continuity in the budgeting process from one year to the next.

Budget Officer Hilden read a short review of the status of each of the City's Funds and summarized his remarks by noting that if the City continues to carefully manage its operating costs it can sustain expenses with the revenue it is receiving. He added that with licensing and franchise fees, as well as one or two significant fund raisers each year, the City should be

able to live within its means without having to reduce staff to the degree that it becomes ineffective.

Budget Officer Hilden distributed copies of a chart showing fund balances for each year beginning with 2004 and explained the differences in income and spending between then and now, noting that for the last few years spending has been relatively flat as the City Council has had better control of expenses.

11. PRESENTATION/REVIEW OF 2014–2015 BUDGET

Budget Officer Hilden presented the proposed Budget for FY 2014–2015, which included the 2013–2014 YTD expenditures, and proceeded to review the numbers responding to questions as each fund was scrutinized. In the General Fund, there was some discussion about whether there was potential for increases in various fees—franchise fees and a possible fee for the City’s work removing trees that disrupt citizens’ private water lines across City right-of-way, for example. Regarding the latter issue, Mayor Ruede suggested that the Planning Commission and/or the Road Commission consider it and make a recommendation to the Council so that discussion here could be focused on the Budget itself.

Budget Officer Hilden went on to discuss General Fund expenses, noting that it includes a request for a 2.5% increase in Administrative (Personal) Services. Council President Mills pointed out that the Water Quality Control Committee requested \$3,000 this year, an increase over the amount listed in the Budget.

Moving on to discussion of the Building Codes Fund, Budget Officer Hilden pointed out that the Beginning Fund Balance is at \$18,390 and he is requesting an increase in the contingency line item to \$20,000 to offset unexpected expense requirements for the coming year.

Budget Officer Hilden directed the Committee’s attention to the State Street Fund, which shows a projected \$188,000 cash on hand. There was a brief discussion about the fund balances that were determined by the auditors during their review of 2012-2013. Responding to Councilor Sanders’ request for clarification of that fund balance, Budget Office Hilden explained that the adjustment had been made because the previous balance was overstated during the budgeting process for 213-2014.

Discussing the expense requirements of the State Street Fund, Budget Officer Hilden pointed out the largest line item, Street Maintenance, which is listed as increasing from \$14,000 to \$65,000 to cover the street slurry/seal project (\$60,000) and possible work on Alder Drive (\$5,000). Council President Mills and Councilor Sanders talked about storage of Road Commission equipment, concluding that at some point it would be ideal to store it all on City-owned property, but that is not yet an option unless the City can acquire some additional property. Councilor Sanders suggested changing the name of the Woahink Drive Project line item to ODOT Grant, noting that Road Commissioner Richard Palmer could do the bulk of the Woahink Drive work without using grant money, saving the grant money for other projects.

Discussing the Motel Tax/Tourism Fund, Budget Officer Hilden noted that he is recommending a reduction in the General Operating Contingency, but he has included a line item for the City’s backup generator in case the Council opted to move forward with that purchase in the coming year.

There were no major issues or questions on the Water Rights Compliance Fund revenue and expense, other than a question from Mr. Floto concerning the actual number of water meters. Budget Officer Hilden noted that he and Council President Mills are working on confirming

the number of water meters. There was a brief discussion about where water meters are, or should be located with most of them currently on private property as opposed to City right-of-way. Following the discussion, Budget Officer Hilden proposed amending his Budget submittal to add a \$13,000 contingency that would allow the City to move meters if need be; the amendment would reduce the Unappropriated Ending Fund Balance from \$33,219 to \$20,219.

Council President Mills suggested adding a separate line item for an Emergency Fund the City could tap. There was no further discussion.

12. CITIZEN INPUT ON BUDGET – None

13. CONFIRM NEXT MEETING DATE – (May 6, 2014 at 2:00 pm)

Councilor Wells commented that the 2.5% increase in Administrative Services requested by Budget Officer Hilden seemed conservative and noted that staff does a lot of work for the City and is very helpful to him, other Councilors and citizens. Councilor Sanders concurred and asked if it would be possible to break out the payroll cost by fund; Budget Officer Hilden replied that he could have it available for the next meeting.

Mr. Floto referred back to Budget Officer Hilden’s Budget Message document, Water Rights Compliance Fund, and asked if the State is requiring Dunes City to pay for maintenance of the outlet control structure. Budget Officer Hilden replied in the affirmative. There was a brief discussion about State water rights versus City water rights and the State’s monitoring of stream levels.

Mayor Ruede requested final remarks on the Budget. There were none.

14. ADJOURNMENT

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

Mayor Ruede adjourned the Dunes City Budget Committee meeting at about 3:45 pm and confirmed that the next meeting date was set for May 6th.

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 13th DAY OF MAY 2014.

[Signed copy available at City Hall]

Rebecca Ruede, Mayor

ATTEST:

[Signed copy available at City Hall]

Fred Hilden, City Administrator/Budget Officer