



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 Maurice Sanders, Councilor Sheldon Meyer, Councilor Ed Scarberry, Councilor Duke Wells, Budget Officer Fred Hilden, and citizen members George Burke and Paul Floto. Citizen member April Dumas arrived at 2:07 pm.

Absent and Excused: Councilor Dick Anderson and citizen member Wally Shoults (There are three citizen member vacancies).

3. PLEDGE OF ALLEGIANCE

All who were present stood for the Pledge of Allegiance.

4. MOTION TO APPROVE THE AGENDA

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

5. ANNOUNCEMENTS

Mayor Ruede announced that the Oregon Dunes Triathlon and Duathlon is just a few days away with 175 participants already registered. Budget Officer Hilden noted that Councilor Sanders and Councilor Wells are participating as a team in the duathlon event and Race Director Blair Bronson will be at the City Council meeting on Thursday, the 8th of May.

Council President Mills asked if there were major sponsors other than US Bank and Peace-Health. Budget Officer Hilden replied that there were not, as far as he knew.

6. CITIZEN INPUT – None

7. PRESENTATION/REVIEW OF 2014-2015 BUDGET

Budget Officer Hilden noted that he made the changes that were requested during the April 29th meeting and emailed revised budgets incorporating those changes to Budget Committee members on May 5th. He distributed copies of the Personal Services breakdown by fund that was requested during the April 29th meeting and proceeded to explain key details, noting that the Administrative Assistants are paid by Cardinal Services so there is no PERS contribution for their salary. Explaining the allocations to each Fund, Budget Officer Hilden clarified that an allocation for Planning was added this year for expense that had mistakenly been included in the Building Code Fund, separating the expense makes the Building Code Fund cleaner and more accurate. Budget Officer Hilden went on to note that the numbers in the salary breakdown spreadsheet are slightly different from the Personal Services numbers in the

Budget and he suggested that, if the Committee agrees to do so, he would change the Budget numbers to accurately reflect the spreadsheet. Councilor Sanders pointed out that the allocation to the Street Fund is a large percentage of the revenue the City gets to maintain streets. Following a short discussion, it was agreed that Budget Officer Hilden take a few minutes and revise the Budget to reflect the numbers from the spreadsheet.

Mayor Ruede called for a recess at 2:20 pm and reconvened the meeting at 2:31 pm.

Budget Officer Hilden distributed the revised Budget, noting that the revised Personal Services totals would also be reflected in the Unappropriated Ending Fund balances.

Mr. Floto made a motion to approve the General Fund as submitted. Councilor Meyer seconded the motion. The motion passed by unanimous vote.

Councilor Sanders requested clarification of the negative Unappropriated Ending Fund Balance in the Building Code Fund. During discussion it was suggested to modify line item 22 from \$8,000 to \$5,000, correcting the Unappropriated Ending Fund Balance to \$194 and the Total Expenditures to \$116,690.

Councilor Sanders made a motion to approve the Building Code Fund as amended. Ms. Dumas seconded the motion. The motion passed by unanimous vote.

Councilor Sanders asked to skip discussion of the State Street Fund and come back to it. Mayor Ruede agreed and directed the Committee's attention to the Motel Tax/Tourism Fund (Special Fund). Council President Mills asked whether there should be additional contingency money available for property acquisition if the ad hoc committee looking at that recommends it and noted that there is only \$8,000 allocated to General Operating Contingency. There was a brief discussion.

Council President Mills made a motion to increase the General Operating Contingency to \$18,000, increase the Total Contingency and Capital to \$18,000 and decrease the Unappropriated Ending Fund Balance to \$5,905. Councilor Sanders seconded the motion. The motion passed by unanimous vote.

Mr. Floto made a motion to approve the Motel Tax/Tourism Fund as amended. Council President Mills seconded the motion. The motion passed by unanimous vote.

Council President Mills asked if there should be an allocation for Legal expense in the Water Rights Compliance Fund, noting that there might be legal expense in the coming year. Budget Officer Hilden noted that the Contingency money could be used for legal expense, or there could be a motion to move the Contingency money to Legal. Following a short discussion, it was agreed to leave the money as Contingency.

Councilor Sanders made a motion to approve the Water Rights Compliance Fund as submitted. Ms. Dumas seconded the motion. The motion passed by unanimous vote.

Returning to discussion of the State Street Fund, Councilor Sanders pointed out that, after discussions with Gene Wobbe and City Administrator/Recorder Hilden, it has been decided the Alder Drive project, for which there is \$5,000 budgeted, does not need to be done any time soon.

Councilor Sanders made a motion to reduce the amount of Street Maintenance allocation from \$65,000 to \$60,000. Mr. Floto seconded the motion, adding that the note "\$5k

Alder Drive” should be deleted from the line item description. The motion passed by unanimous vote.

Councilor Sanders suggested that the \$20,000 currently allocated to the Emergency Road Fund could be reduced to a lesser amount.

Councilor Sanders made a motion to reduce the Emergency Road Fund line item from \$20,000 to \$10,000. Mr. Floto seconded the motion. The motion passed by unanimous vote.

During subsequent discussion, Councilor Sanders explained that the Personal Services overhead combined with the significant cost of street lighting reduce the amount of money available for actual street maintenance. Short of turning off the street lights, reducing the Emergency allocation makes more money available.

Councilor Sanders made a motion to adopt the State Street Fund as amended. The motion was seconded by Councilor Meyer.

There was further discussion about how the City could extend the life of the funds available, such as delaying annual street repairs. Councilor Sanders explained that was what the Road Commission has been trying to do as outlined in the Master Transportation Plan; he went on to explain that the slurry seal project, for example, is meant to extend the life of streets without having to completely repair them, which would cost more.

Budget Officer Hilden noted that the volunteer efforts have been instrumental in reducing the amount of money that the City has had to spend on road work. There was a brief discussion about the possibility that at some point the City might be forced to impose a tax to fund street repairs. Councilor Sanders expressed concerns about that, noting if the City cannot provide for street services it could mean that Dunes City would no longer be an incorporated City and revert to County rule. Mayor Ruede brought the conversation back to the Budget, noting that the Budget Committee has a huge responsibility to ensure that the Budget is balanced and in check so that doesn't happen.

Mayor Ruede requested that the motion be repeated, and Budget Officer Hilden did so noting that the motion was made by Councilor Sanders and seconded by Councilor Meyer.

The motion passed by unanimous vote.

Budget Officer Hilden pointed out that the last motion completed the Budget Committee's approval process.

8. CONFIRM NEXT MEETING DATE –

Budget Officer Hilden pointed out that the next items of business for the Committee are to review the final edition of the Budget in order to make a recommendation for adoption to the City Council and approve the minutes from this meeting and the one on April 29th.

Mr. Burke made a motion to hold the next meeting of the Budget Committee on May 13th.

There was no second to the motion however, it was the consensus of the Committee to meet at 2:00 pm on the 13th of May.

Mayor Ruede thanked Budget Officer Hilden for his work on the Budget. Councilor Sanders suggested that the Budget Committee meet every four months, rather than quarterly, so that there are two Budget reviews prior to the start of next year's Budget process. He also noted that a revised schedule would take some pressure off City staff efforts to meet the quarterly deadlines. There was some discussion among the Committee members, with Council President Mills noting that the quarterly review of budget versus actual expenditures was helpful. Budget Officer Hilden suggested that staff look into changing the schedule.

9. ADJOURNMENT

Mayor Ruede requested a motion to adjourn.

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 3:05 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 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