

Depoe Bay Budget Committee
May 6, 2002 - 7:00 PM
Depoe Bay City Hall

PRESENT: D. Johnson, J. Steen, P. Taunton, B. Silver, S. Scorpio, A. Brown, J. Brown, M. Lavery (arrived at 7:45), P. Ellis, L. Crom, D. Dunne (arrived at 7:30), B. Spores, T. Wells

STAFF: City Recorder P. Murray, City Field Superintendent T. Owings, Recording Secretary S. Fox

I. CALL TO ORDER

Chairman Dick Johnson called the meeting to order at 7:00 PM and established a quorum.

II. MINUTES OF APRIL 30, 2002 BUDGET MEETING

Motion: Silver moved to approve the minutes as written. Steen seconded the motion.

Johnson said it was moved and seconded, and called for discussion. There was none.

Vote: Motion passed.

Ayes: Johnson, Steen, Taunton, Silver, Alice Brown, Jack Brown, Lavery, Ellis, Crom, Dunne, Spores, Wells

Abstain: Scorpio

III. OPEN DISCUSSION PERIOD/PUBLIC INPUT

Street Fund (Pages 10-15)

Murray reviewed the breakdown of resources and expenditures for this fund. Spores questioned Line 11 on Page 10 (ODOT Pedestrian/Bicycle Program "Quick Fix"). Murray said the City submitted a grant funding application last year, which was denied. ODOT subsequently offered "Quick Fix money" for the project, and it appears in the current budget, but the project will likely not be completed by June 30. Silver said Lavery has been working with ODOT to get the money on its way to the City. Murray said this money is part of the cost of the Hwy 101 sidewalk improvements on the east side of the highway from Bradford Street north. Line 12 on Page 10 (Transfer from Storm Drain Reserve Fund) goes toward this project, as well. There was some discussion on options for Collins Street and Hwy 101. Johnson said the Economic Development Committee discussed signage and improving pedestrian ways from parking areas on Clarke, Collins, and Bay Streets to the highway. He suggested a \$20,000 capital outlay to fund this effort in the coming year. Discussion on this project followed.

Motion: Steen moved to add a new line item in the amount of \$20,000 to Line 15 of Page 12, Parking Signs and Pathways. Silver seconded the motion.

Amendment: Scorpio amended the motion to include the word "interim". Steen accepted the amendment.

Johnson said it was moved and seconded, and called for discussion. Silver noted expenditures would exceed resources with this increase.

Amendment: Alice Brown amended the motion to include that the funds will be transferred from the General fund.

Johnson said it was moved and seconded, and called for discussion.

Vote: The amended motion passed.

Ayes: Johnson, Steen, Taunton, Scorpio, Silver, Alice Brown, Jack Brown, Lavery, Ellis, Crom, Dunne, Spores, Wells

Spores asked if the amount on Line 14 on Page 12 is related to Line 4 on Page 11. Murray said this line item was set up because the City is required to set aside 1% of the annual gasoline tax revenue to be spent specifically on footpaths and bikeways.

Harbor Fund (Pages 16-19)

Murray reviewed the breakdown of resources and expenditures for this fund. She said there was a Harbor Reserve Fund for many years which was helpful with capital improvements in the harbor, and the fund was depleted about five years ago. This is the first year since, that there will be money to put into a reserve fund, and the Harbor Commission is happy to see this. The transfer from the General Fund is for the gangway project; the proposed budget accounts for those portions of the project which the City anticipates completing in the coming year. Johnson asked about Line 13 of Page 16 (Jeld-Wen); Murray said they are the parent company of Trendwest/Worldmark, and they have donated 50% of the estimated cost to replace the gangways.

Motion: Steen moved to approve the Harbor Fund as submitted. Alice Brown seconded the motion.

Johnson said it was moved and seconded, and called for discussion. Alice Brown asked about the reduction in Line 4 of Page 17 (Harbormaster). Murray said the reduction is due to the new harbormaster having a different rate of pay than the previous harbormaster, who is a long-time City employee. Spores questioned why the committee is voting on a specific fund after agreeing to proceed through consensus. Steen withdrew his motion. Alice Brown withdrew her second.

Sanitary Service Fund (Pages 20-26)

Murray reviewed the breakdown of resources and expenditures for this fund. She noted that Line 8 of Page 20 reflects two different SDC charges - current (\$750/EDU) and the new rate proposed by the engineer (\$1,100/EDU). She said there is a substantial notification period before implementing the new SDC charges, and she anticipates the changeover could take place by December. Johnson questioned Line 18 on Page 22 (Influent & Infiltration Reduction).

Murray explained that expenses falling under this line item would include smoke testing, TVing, cleaning, and/or repairing of sewer lines, and DEQ wants to see tracking of these expenses. In the past these expenses were included in Line 4 (Plant & System Maintenance, which has been reduced by approximately the amount of Line 18 in the proposed budget).

Water Service Fund (Pages 27-33)

Murray reviewed the breakdown of resources and expenditures for this fund. She noted there were no proposed increases to rates, with the exception of the increased SDCs associated with the estimated new amounts. Wells asked how many fire hydrants will be installed; Owings responded that there are two being installed this year, and two are planned for next year. The City currently owns and maintains 52 hydrants, which are considered part of the water system infrastructure.

Salmon Enhancement Project Fund (Page 35)

Murray reviewed the breakdown of resources and expenditures for this fund. There were no budget questions on this fund.

Wastewater Capital Project Fund (Page 36)

Murray said this fund has been financed through a loan and grant from the Oregon Economic Community Development Department. This project was due to be fully complete last December. The City has filed for an extension. All the loan money and interest earnings have been expended; only grant dollars remain. The City will go out to bid on the final components of the project, and hopes to have it complete by December 31 of this year.

Supplemental Pages

Murray explained that the last three pages of the proposed budget contain supplemental summary information for easy reference. Silver said that the modification factor on Workers' Compensation insurance has been reduced from 2.68 to 1.79. This reduction amounts to an estimated \$10,000 savings in the insurance premium. He proposed this savings be shared with City employees by adding a \$5,000 line item called Bonus to the Personal Services Summary page, to be split between City Staff. There was some discussion about how this might be broken out and the impact it would have on the different funds. Dunne was concerned over who would decide who gets how much of the bonus. Silver said his concern was to recognize improvement and the effort demonstrated by employees, and he did not feel it was a function of the Budget Committee to determine how to break down the bonus between Staff. Murray suggested the breakout to funds be based upon each fund's share of total salaries or total Workers' Comp premium for budgeting purposes.

Motion: Silver moved to add a line item called "Personal Services Bonus" to Personal Services Summary, in the amount of \$5,000, to be included in the Salaries Total (Line 16), and to be disbursed across the funds by Staff. Alice Brown seconded the motion.

Johnson said it was moved and seconded, and called for discussion. There was none.

Vote: Motion passed.

Ayes: Johnson, Steen, Taunton, Scorpio, Silver, Alice Brown, Jack Brown, Lavery,

Ellis, Crom, Dunne, Spores, Wells

Johnson summarized the changes made up to this point: 1) An increase of \$8,000 to the transfer from the General Fund into the Parks and Buildings Fund, 2) An increase of \$20,000 to the transfer from the General Fund into the Streets Fund. and 3) The addition of a \$5,000 line item to the Personal Services Summary Page.

Laverty asked if the cost of adding another speed hump on Williams was included in the proposed budget. Murray said it should be installed before June 30, and is coming out of this year's budget.

Referring to Page 33, Ellis asked Murray to explain how the Miroco District transfer works. Murray said their share of the annual bonded debt is based on their share of the metered usage compared to the total water usage. Historically, their share has been 4-5% of the total annual debt service. As long as they have excess funds in their reserve, they are not paying this on their bill. Each year Miroco customers get a letter stating how much their bill would have been without the credit offset.

Spores requested increasing Line 5 on Page 7 (Parks Maintenance) from \$2,000 to \$3,000 for the gazebo. Murray said gazebo expenses were reflected on Line 6 of Page 6, and asked if this would take care of his request. Spores maintained the requested increase was necessary. Murray recommended increasing the amount of the transfer from the General Fund to Parks & Buildings (Line 13 on Page 5) to \$70,000 instead of \$68,000.

General Fund (Pages 1-3)

Discussion began with Contributions. Murray said before the meeting, Peggy Leoni from the Chamber of Commerce submitted an addendum to the April 14 request for funds. Johnson recessed the meeting from 8:15 to 8:30, while Murray made copies of the addendum for the committee (copy attached to original of these minutes). Alice Brown said the Chamber's request for 2% of the room tax leaves the City with 98%, which she found very reasonable. Murray said the City can enter into a contract with the Chamber, but cannot give them money directly because they are not non-profit. She said a line item could be added on Line 17 or 18 of Page 3, for a Chamber contract. There was ample discussion on the amount and the basis for arriving at the amount.

Motion: Steen moved to add a line item of \$5,000 to Page 3, allowing a contract with the Chamber of Commerce, based on 2% of collected room tax with an explanatory note added to the bottom of Page 3. Spores seconded the motion.

Johnson said it was moved and seconded, and called for discussion. There was none.

Vote: Motion passed.

Ayes: Johnson, Steen, Taunton, Scorpio, Silver, Alice Brown, Jack Brown, Laverty, Ellis, Crom, Dunne, Spores, Wells

Dunne drew attention to the amount of increase in requested contributions. Crom said Contact Services is being audited for the last 10 years, and she felt this would not be the best time to make a contribution to their cause. This generated significant discussion, culminating in a reduction in the amount of the requested contribution from \$2,500 to \$750. Other agreed-upon changes were as follows: Olalla Center decreased from \$600 to \$300; Senior Meals increased from \$100 to \$500; Lincoln Community Dispute Resolution decreased from \$600 to \$200; Depoe Bay KidZone increased from \$500 to \$1,000; Killer Whales Rowing Club increased from \$500 to \$1,000. New Life Health & Birth Center decreased from \$1,000 to \$250. Other requests were approved as submitted.

Motion: Alice Brown moved to approve the proposed budget with the changes discussed and the consensus agreed upon. Dunne seconded the motion.

Johnson said it was moved and seconded, and called for discussion. There was none.

Vote: Motion passed.

Ayes: Johnson, Steen, Taunton, Scorpio, Silver, Alice Brown, Jack Brown, Lavery, Ellis, Crom, Dunne, Spores, Wells

IV. ADJOURN

There being no further business, the meeting was adjourned at 9:20 PM.

John Steen, Mayor

Silver Fox, Recording Secretary