

1 Depoe Bay Budget Committee
2 May 13, 2010 – 7:00 PM
3 Depoe Bay City Hall
4

5 PRESENT: Chair R. Johnson, J. Brown, P. Cameron, D. Davilla, R. Hunter, B. Leff, P. Leoni,
6 B. Silver, B. Spores, J. White, T. Wideman, D. Zimmerman
7

8 ABSENT: C. Connors, P. Taunton
9

10 STAFF: City Recorder P. Murray, City Field Superintendent T. Owings
11

12 I. CALL TO ORDER

13 Chair Johnson called the meeting to order at 7:00 PM and established a quorum. He thanked
14 Committee members for being flexible in changing the meeting time from 6:00 PM to 7:00 PM.
15

16 II. MINUTES OF APRIL 26, 2010
17

18 Motion: Zimmerman moved to approve the minutes of the April 26, 2010 meeting as written. Leff
19 seconded the motion.
20

21 Chair Johnson said it was moved and seconded, and called for discussion. There was none.
22

23 Vote: Motion passed.

24 Ayes: Brown, Cameron, Hunter, Johnson, Leff, Leoni, Silver, Spores, White, Wideman

25 Abstain: Davilla, Zimmerman
26

27 III. OPEN DISCUSSION PERIOD / PUBLIC INPUT

28 Murray noted that written input had been received from Rick Beasley (copy attached to original of
29 these minutes). Chair Johnson invited Mr. Beasley to summarize his letter. Mr. Beasley addressed
30 the Committee regarding a revision to the way the City advertises and promotes the City, specific
31 to the annual \$5,000 contract with the Chamber of Commerce. He felt the City should have more
32 control over how that \$5,000 is spent and that it should be a competitive award that is creatively
33 utilized to promote just those establishments that enhance the Transient Room Tax Fund. The
34 money budgeted for promotion should be used on Depoe Bay alone, but the Chamber advertises
35 businesses that are outside of City limits. He also wanted to see the City's website enhanced to a
36 world-class website, providing links to all income-producing properties. A Committee member
37 suggested scheduling a workshop to discuss these ideas before the money is allocated to the
38 Chamber. Murray said the line item in the proposed budget is for a renewable contract with the
39 Chamber, and the Council will be considering renewing the contract at the June 1 regular Council
40 meeting. Mr. Beasley commented on a possible reality show potentially based in Depoe Bay, and
41 the associated free advertising that he said would result in visitors from all over the world.
42

43 Motion: Leff moved to change wording on Page 3 Line 14 to read "Depoe Bay Advertising and
44 Promotion". Cameron seconded the motion.
45

46 Chair Johnson said it was moved and seconded, and called for discussion. There was none.
47

48 Vote: Motion passed.

49 Ayes: Brown, Cameron, Davilla, Hunter, Johnson, Leff, Leoni, Silver, Spores, White,
50 Wideman, Zimmerman
51

52 **Sanitary Service Fund and Sanitary Bond Fund (Pages 11-14)**

1 There was discussion about an increase on Page 11 Line 6 (User Fees) and Line 7 (Gleneden
2 Sanitary District Contract), which was budgeted low for the current fiscal year. Murray noted a
3 workshop is scheduled next week, where the engineer will provide the Council with the first draft of
4 the proposed rate increases for sewer and water. A Committee member noted that the City lost the
5 ability to apply for Federal infrastructure maintenance funds because the City's water and sewer
6 rates are too low. Murray explained how the Gleneden Sanitary District Contract works, and that
7 an increase in Depoe Bay user fees will not affect Gleneden. She also explained that Page 11 Line 2
8 (Net Working Capital) is much higher than last year because it includes closed (formerly reserve)
9 funds (reflected on Page 12). There was brief discussion about the line items for the former reserve
10 funds and other line items. A Committee member asked about having a commercial dryer for
11 sanitary disposal; this would cost more money and require additional staffing. It was noted that
12 these funds do not draw from the General Fund. No changes were made to the proposed Sanitary
13 Service Fund and Sanitary Bond Fund pages.
14

15 **Water Service Fund, Miroco Water Reserve Fund, and Water Bond Fund (Pages 15-19)**

16 There was brief discussion; it was noted that there were significant reductions on a couple of
17 Materials & Services line items. It was noted that these funds do not draw from the General Fund.
18 No changes were made to the proposed Water Service Fund, Miroco Water Reserve Fund, and
19 Water Bond Fund pages.
20

21 **Parks & Buildings Fund (Pages 20-22)**

22 There was brief discussion regarding potentially incorporating Neighbors For Kids (NFK) into Parks;
23 it was noted that NFK needs to find other ways of funding, as there are legal issues involved.
24 Murray noted that Parks & Buildings doesn't generate much revenue, as its only revenue sources
25 are rental fees and memorial plaques and benches; this fund is mostly funded by the General
26 Fund. There was discussion about grants that have been applied for and their associated projects,
27 which will not proceed without the grants being awarded. Murray noted that if you can reasonably
28 anticipate revenue or expenditures, they must be budgeted for, so grant applications that have
29 been submitted are reflected in the proposed budget. A Committee member asked about the status
30 of the scenic land acquisition of tax lot 700; Murray said there is no agreement with the property
31 owner, and no current activity on the project. The proposed funds for that project are zero, and the
32 funds previously budgeted are reflected in the General Fund.
33

34 Motion: Leff moved to create a new Line 11 in Capital Outlay for Future Park Land Acquisition, and
35 put \$20,000 in it by reducing the General Operating Contingency line item by \$15,000 and
36 reducing the Unappropriated Ending Fund Balance by \$5,000. Leoni seconded the motion.
37

38 Chair Johnson said it was moved and seconded, and called for discussion. There was brief
39 discussion to clarify where the funding was coming from for the new line item.
40

41 Vote: Motion passed.

42 Ayes: Brown, Cameron, Davilla, Hunter, Johnson, Leff, Leoni, Silver, Spores, White,
43 Wideman, Zimmerman
44

45 The Parks & Buildings Fund pages were approved with the above change.
46

47 **Salmon Enhancement Project Fund (Page 23)**

48 There were no changes to the proposed Salmon Enhancement Project Fund.
49

50 Chair Johnson noted that the remaining pages in the proposed Budget were either historical, or had
51 previously been discussed.
52

53 **General Fund (Pages 1-3)**

1 The drop in projected revenue from \$1,181,900 to \$500 for Page 1 Line 20 (Scenic Lands Project
2 Revenues) was noted as reflecting the inactive status of acquisition of tax lot 700, with no grant
3 applications pending. There was discussion on sirens for a tsunami warning system. A Committee
4 member said the Coastal Fire Chief Association wants systems along the coast to complement and
5 support each other, and has been meeting to determine what kind of warning system they feel is
6 best. When a decision has been reached, they will make a recommendation through the local fire
7 districts, which will then need to come up with the funding for the system, which is expected to be
8 expensive. She also said that while sirens are very popular with the populace, they are not always
9 very effective. It was noted that sirens are a public safety item, and could be funded through
10 dedicated public safety funds from the Transient Room Tax Fund. It was also noted that there are
11 ways to use the dedicated funds other than for law enforcement. There was lengthy discussion on
12 Contributions, starting with acknowledgement of an error in computing the available funding of last
13 year's Contributions (see copy of email dated 4/28/10 from Carol Connors attached to original of
14 these minutes), and noting that – using the Committee-approved amount of 1.5% of disposable
15 funds – available funding for the current year is only \$7,587.31, and requests exceeding \$31,000
16 have been received. A Committee member said that the kids (Neighbors For Kids [NFK]) are part
17 of the City and worth more than a discretionary fund. Leoni reviewed the recommendations she
18 proposed (see copy of her recommendations for distribution of \$7,500, attached to original of these
19 minutes.), which were the result of hours on online research. She noted the reason behind certain
20 recommendations for zero contributions was that those particular agencies were well covered
21 financially by other sources. She said her recommendation of a \$500 contribution to NFK could be
22 upped to \$1,000, and explained her reasoning behind recommending to increase amounts
23 requested by other agencies. Discussion regarding how much was appropriate to contribute to NFK
24 included a concern by a Committee member about the credibility of the NFK Board of Directors due
25 to how it handled a personnel issue, how many children are being served by the program (35-40),
26 how many children are on the waiting list (about 60), how many of those children reside within
27 City limits (about 80%), the building capacity (120 children), the number of children in Depoe Bay
28 (225), NFK salaries, the importance of City contributions in obtaining other NFK funding, and a
29 suggestion that an NFK taxing district covering about the same territory as the fire district might
30 be established to provide permanent funding. Other discussion included a statement that the City
31 has a tradition of making contributions that benefit the community, a question of how much money
32 the City is willing to give away, a suggestion to give the entire \$7,587 to the Kids Zone (NFK) with
33 the understanding that other agencies are to be re-looked at during next year's Budget meetings, a
34 suggestion to dismiss the \$7,587 as a limit to Contributions, clarification that cities that do
35 contributions – which not all do – typically donate 1.5 – 2% of their disposable income, a question
36 whether the City *should* give money away and if so how much, an opinion that making
37 contributions isn't "giving away" but is "giving to us", and what funds can be drawn from (General
38 Fund only).

39
40 Motion: Leff moved to follow Leoni's recommendations in terms of who gets bumped from the list,
41 and give the dollars requested to the remaining organizations, which would be a total of \$29,500,
42 and to put \$30,000 in the budget for Contributions, and that \$29,500 be dedicated to those
43 organizations remaining on Leoni's list. Davilla seconded the motion.

44
45 Chair Johnson said it was moved and seconded, and called for discussion. Chair Johnson clarified
46 that CASA, United Way, Council on Alcohol & Drug Abuse, RSVP of Lincoln County, and Progressive
47 Options would receive no contributions.

48
49 Amendment: Leoni amended the motion to reduce the contribution amount for Fleet of Flowers to
50 \$500. Leff and Davilla consented to the amendment.

51
52 Chair Johnson said it was moved and seconded, and called for discussion. A Committee member
53 requested clarification of what agencies would be receiving contributions: Fleet of Flowers (\$500),

1 My Sister's Place (\$1,500), Senior Meals (\$2,000), NFK (\$20,000), Depoe Bay Food Pantry
2 (\$1,500), Taft Backpack Program (\$1,000), and Discretionary Fund (\$2,000). It was noted that all
3 funding, with the exception of Fleet of Flowers, was for the amount requested by the agencies.

4
5 Vote on Amendment: Amendment to Motion passed.

6 Ayes: Brown, Cameron, Davilla, Hunter, Johnson, Leff, Leoni, Silver, Spores, Wideman,
7 Zimmerman

8 Noes: White
9

10 Vote on Original Motion: Motion passed.

11 Ayes: Brown, Davilla, Hunter, Johnson, Leoni, Spores, Wideman, Zimmerman

12 Noes: Cameron, Leff, Silver, White
13

14 Motion: White moved to approve the Budget as agreed upon at the last two meetings. Brown
15 seconded the motion.

16
17 Chair Johnson said it was moved and seconded, and called for discussion. There was brief
18 discussion on procedure.

19
20 Vote: Motion passed.

21 Ayes: Brown, Davilla, Hunter, Johnson, Leff, Leoni, Silver, Spores, White, Wideman,
22 Zimmerman

23 Noes: Cameron
24

25 Murray noted that the Budget hearing will take place at the June 15 regular Council meeting.
26

27 IV. ADJOURN

28 There being no further business, the meeting was adjourned at 9:16 PM.
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34 _____
Mayor Jim White

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37 _____
38 Emma LuMaye, Recording Secretary