

1. Agenda

Documents:

[2024-12-03 Finance Committee Agenda.pdf](#)

2. Meeting Material

Documents:

[2024-11-07 Finance Committee Minute Summary.pdf](#)

2.I. Meeting Material

Documents:

[CIP Spend YTD Presentation 2024 December General Fund.pdf](#)
[CIP Spend YTD Presentation 2024 December Public Works.pdf](#)



CITY OF YACHATS
FINANCE COMMITTEE WORK SESSION MEETING
Tuesday, December 3, at 10:00 am
To Be Held Via Zoom & In Person Located at:
Commons Building, Civic Meeting Room 1
441 Hwy 101 N., Yachats OR 97498

Join Zoom Meeting
<https://us02web.zoom.us/j/83732842965>
Meeting ID: 837 3284 2965

AGENDA

- I. Meeting Called to Order
- II. Announcements and Correspondence
- III. Citizens' Concerns (limited to items not on the agenda, 5-minute limitation per person)
- VI. New Business
- VIII. Other Business
 - a. From Staff
 - b. From Staff

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CITY OF YACHATS
FINANCE COMMITTEE
SUMMARY MINUTES
November 7, 2024

Chair Bobbi Price called the regular meeting of the Finance Committee to order at 10:00 a.m. in the Civic Meeting Room of the Yachats Commons.

Members present: Tom Lorenzen, Charles Bame-Aldrich, Julie Ekdom, Vicki West, and Recorder Kimmie Jackson.

Audience: 8

Announcement/Correspondence : None

Citizens' Concerns : None

The meeting started with wishing Kimmie Jackson a happy birthday. There were no announcements or correspondence to discuss.

The committee then moved on to discuss the city council positions, specifically the write-ins for the council positions. The Recorder mentioned that they had not received an official count yet but expected it by the following week. The committee also discussed the possibility of reaching out to potential candidates for the council positions.

Long-Term Revenue and Capital Planning

Discussion started on the long-term revenue and capital planning, focusing on the 20-year forecast. The team discussed the significant modification made in 2025 to pay for the library and the uncertainty surrounding the Systems Development Charges due to the lack of construction activity reports. They also discussed the potential loss of \$200,000 in general fund transfers for sustainability and the need to adjust the forecast accordingly. The team also discussed the issue of accepting System Development Charges (SDCs) before building permits are issued, with the city attorney advising against it. The team agreed to continue monitoring the situation and adjust the forecast as necessary.

Projecting Future System Development Charges

Discussion continued projecting future system development charge (SDC) fee revenue based on estimated new construction; reviewed historical SDC revenue data and suggests using a conservative estimate of 5 new builds per year with a 2-4% annual inflation rate. West mentioned her computer screen broke during travel, preventing her from providing updated data. The group agrees on the 5 new builds per year projection and a 3% inflation rate for SDC fees over the next 20 years.

Clarifying Urban Renewal Department Budget

1 The group discussed the budget for the Urban Renewal Department (URD), expressing
2 confusion over the projected interest income of \$440,000. She suggested that the actual
3 interest might be closer to \$25,000, based on the current balance and a 3% interest rate.
4 It was also mentioned that the budget had been updated to reflect a forecast of \$25,000
5 in interest income for the next four years, with a decrease in the following year; and noted
6 that the budget also included a 5% fee for the city, which she had always protected. The
7 team agreed to revisit the budget and make necessary adjustments.

8 9 **Adjusting Wastewater Plan and Costs**

10 The team discussed the need to adjust the wastewater plan based on the current
11 construction cost index, which has increased significantly; it was explained that the
12 adjustments would be made in the upcoming capital budgeting process, and that the
13 estimates would be based on the 25-26 year period; and suggested the possibility of
14 bundling projects to attract contractors from the valley, which could potentially lower costs.
15 Also emphasized the need for smarter planning to avoid self-inflicting injuries like
16 outdated cost estimates. The discussion also touched on the potential for collaboration
17 with other utilities and municipalities to share resources and lower costs.

18 19 **Master Plan Funding and Partnerships**

20 Members discussed the long-term financial resources needed to fund their master plans,
21 emphasizing the importance of ensuring the revenue stream does not collapse; it was
22 mentioned the Finance Committee's role in identifying possibilities and adjusting plans
23 based on the council's opinions. The team discussed the budget for the water and
24 wastewater master plans, noting that some of the costs were not included in the master
25 plan but were part of the Capital Improvement Plan (CIP); it was suggested focusing on
26 the CIP for short-term planning and acknowledged the need for adjustments in the budget;
27 potential partnerships with other utilities and the possibility of securing funding for
28 shovel-ready projects; and concluded by expressing concern about the potential cost of
29 replacing a 1 million-gallon water tank, which was not included in the master plan

30 31 **Strategic Planning for Coastal Infrastructure**

32 Discussion continued around the need for strategic planning and collaboration with state
33 legislators to address economic growth and infrastructure needs in the coastal
34 community; suggesting revisiting the idea of a special option levy for infrastructure
35 projects and the potential for re-upping the urban renewal when it expires in five years;
36 and highlighted the need for a long-term plan to address the water system's challenges,
37 including the possibility of adding smaller tanks in conjunction with housing development.
38 Also emphasized the importance of accelerating engineering efforts to secure funding
39 opportunities the need to consider the impact of inflation on their plans, the potential for
40 creative solutions to address water consumption issues, and the need to balance short-
41 term gains with long-term goals.

42 43 **Water and Wastewater Revenue Analysis**

44 Ekdom presented an analysis of the water and wastewater revenue for the current fiscal
45 year compared to previous years. The water revenue for July showed a significant
46 increase, but August dropped. Year-to-date, water revenue is running 3.77% higher than
47 last year, slightly lower than anticipated due to lower volumes and rate increases not yet



1 fully implemented. Wastewater revenue is 5.89% higher year-over-year, which is puzzling
2 given the rate study's impact. Overall, revenues are tracking well with expectations based
3 on approved rate increases, though timing is influenced by weather and the pandemic's
4 effects and expect the full impact of the rate increases to be reflected in future financial
5 reports.

6 **Vacation Rentals, Regulation, and Reserves**

7 The team discussed the implementation of a new property for vacation rentals set to be
8 implemented in January; mentioning that some people had dropped out of having a
9 vacation rental license, suggesting that they were not genuine renters. It was also
10 discussed the possibility of allowing places like Overleaf Village to operate their vacation
11 rentals without being subject to the cap; and that the city is hiring a municipal judge to
12 enforce compliance with the rules and regulations. Also discussed **was** the need to
13 balance the revenue from vacation rentals with the livability of neighborhoods. It was
14 suggested that the city should consider regulating vacation rentals in certain areas to
15 increase regular rental stock; the need to realign the reserves between water and sewer
16 and suggested that the base rates could be adjusted to achieve this. Lastly, West
17 announced she would be leaving the Finance Committee next month.

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20 Overall, the meeting underscored the necessity of strategic planning to ensure the city's
21 financial health and community livability.

22 **Next Steps**

- 23 • Ekdorn to update the long-term revenue forecast to extend out 20 years instead of 17;
Ekdorn to adjust the SDC revenue projections based on the new information discussed;
update the general fund contribution in the forecast from \$200,000 to \$100,000;
- follow up on getting statistics for SDC fees collected in the last 3 years.
- Neil Morphis to prepare a CIP update for the next meeting, showing current fiscal year
project spending.
- Finance Committee to review the CIP and align water and wastewater reserve
allocations.
- Finance Committee to consider adjusting base rates to realign reserves between water
and wastewater funds.
- City staff to continue monitoring vacation rental license changes and compliance.
- Consider potential changes to vacation rental regulations and zoning.
- West to update spreadsheets and forward them to the City Manager for her
replacement.
- Finance Committee to identify a replacement for Vicki on the committee.

Adjourned at 11:35 am
Kimmie Jackson, Recorder

CIP Report
 FY 24-25 2024-11-21
 General Fund

Fund/Code	Masterplan	Department/Project Description	CIP Budget 24-25	Spending Jul-Nov 24-25	CIP AMENDMENT
General Fund		Streets			
		Loma to River Rd General Engineering	\$20,000		
GIMLETGT		Gimlet Gates	\$35,000		
HW101DEL		Hwy 101 Curve Delineators**	\$35,000	210	\$40,000
		Street Repairs	\$100,000		
Total			\$190,000	210	
General Fund		City Hall			
		Emergency Preparedness	\$20,000		-\$3,000
		501 Gutters and Fascia, Building Repair	\$20,000		-\$20,000
		Exterior Rehabilitation; ADA Compliant/Code & Safety Review	\$60,000	24950	
		Interior Security Remodel	\$30,000		
		Fake Police Car	\$5,000		-\$5,000
		Security Upgrade	\$20,000		-\$20,000
Total			\$155,000	24950	
General Fund		Parks and Trails			
BOARDWLK		Bayside Boardwalk Engineering	\$60,000	23924	-\$36,000
BOARDWLK		Boardwalk Construction	\$125,000		-\$125,000
		Rocha property			\$152,000
		O'Neill property			\$150,000
Total			\$185,000	23924	
General Fund		Commons			
		Gutters and Fascia and Roof Repair	\$20,000		-\$20,000
		M/E/P Updates	\$20,000		-\$20,000
		Fire & Safety Updates; Egress, Hardwa	\$20,000		-\$20,000
		Security Updates	\$5,000		-\$5,000
COMMSDLT		Sound / Lighting Updates	\$20,000		
		Generator Rehousing and Relocation - Resiliency Measure	\$15,000		
		Interior Remodel to Accommodate Childcare Facilities / Secure Area	\$15,000		-\$15,000
		Park Plan / Civic Plan / Masterplan	\$120,000		
		Resiliency - Solar Energy	\$50,000		-\$50,000
COMMSTNE	COMMSTNE	Stairs NE Entrance	\$25,000	8800	
COMMPAV1	COMMPAV1	Pavilion Upgrades	\$35,000	30679.32	
		Commons Storage Improvements	\$14,500		-\$8,000
BASKETHP	BASKETHP	BASKETBALL HOOP REPLACEMENT		5000	\$5,000
Total			\$359,500	44479.32	
General Fund		Library			
		Website and Branding	10,000		
		Evaluate Suitability of Site	35,000		
		Preconstruction and Construction	550,000	65492.86	
Total			595,000	65492.86	
General Fund		Little Log Church Museum			
LLCMRENO		LLCM Rehabilitation	100000	5771.24	
General Fund Total			\$1,584,500		0 Sum of CIP Amendment changes

CIP Report
FY 24-25
Public Works

2024-11-21

Fund/Code	Masterplan	Department/Project Description	CIP Budget 24-25	Spending Jul-Nov 24-25
ENTERPRISE		WATER		
WTPSCADA		SCADA Upgrade	\$30,000	
WTPUPGRD	M/P T-1 (1)	WTP Upgrade CIP Annually	\$30,000	\$16,797
WPCLRRHB	M/P T-2 (2)	Water Plant Clarifier - Rehabilitation of Drives	\$250,000	
REEDYIMP	M/P S-5 (1)	Reedy Creek Raw Water Pipeline Improvement	\$104,000	\$25,000
		Annual Hydrant Replacements	\$10,000	
WELECGT		Public Works Slide Gate	\$20,000	
WTPLNDAC		Property Acquisition, Surveys, Geotech	\$280,000	\$221,268
RESSEVAL	M/P ST-2 (2)	Water Tank Seismic Retrofit Engineering	\$30,000	\$21,269
		Water Treatment Plant Fence	\$20,000	
		Blackstone 126 res Fence	\$25,000	
		Water Booster Stations Gensets	\$70,000	
SWLCWPUD	M/P S-3 (1)	Analysis / Engineering SWLCWPUD	\$70,000	\$14,082
		2ND ST PH3 Loma to River Rd Engineering - Water	\$15,000	
E2PHS3WL	M/P D-13 (1)	2ND ST PH3 Loma to River Rd Waterline Construction	\$75,000	
		Water Unplanned / Contingency	\$25,000	
STSEISMC		SOUTH TANK SEISMIC IMPROVEMENTS		\$37,244
Total			\$1,054,000	\$335,661

ENTERPRISE		WASTEWATER		
PUMPLGS	M/P P-1 (1)	Submersible Pump Plug Engineering & Installation	\$300,000	\$81,143
MLSPUMP4		Main Lift Station Improve	\$166,000	\$52,244
		Annual Inflow and Infiltration (I&I) Rehabilitat	\$40,000	
	M/P G-4 (1)	Hanley Drive Sewer Manholes	\$20,000	
RVRSDIMP	M/P P-6 (2)	Riverside Lift Station Improvements	\$50,000	\$35,468
		Multi-VFD Upgrades	\$25,000	
	M/P T-12 (2)	UV Disinfection Control Upgrades	\$85,000	
		Man Doors PW Bldg #2	\$15,000	
WWELECGT		Public Works Slide Gate	\$25,000	
GISMAPTL		GIS Mapping & Geolocation Utility Line Hardwa	\$25,000	\$10,597
		2ND PH3 Loma to River Rd Wasteline Engineering	\$10,000	
E2PHS3WW		2ND PH3 Loma to River Rd Wasteline Construction	\$50,000	
		PW Fuel Tank & Trailer	\$15,000	
		Wastewater Treatment Plant Upgrades	\$248,000	
		Wastewater Unplanned / Contingency	\$25,000	
PWDESNST		PW DESIGN STANDARDS		\$240
WWBUPGEN		WW PORTABLE + BACKUP GENERATOR		\$35,000
PWRLUPDR		PW ROLL UP DOORS		\$69,913
			\$1,099,000	\$284,605