



CITY OF YACHATS
YACHATS FINANCE COMMITTEE
SUMMARY MINUTES OF JANUARY 23, 2025

Chair Bobbi Price called the Finance Committee meeting to order at 10:00 am in the Yachats Commons Civic Meeting Room. Members present are Tom Lorenzen, Charles Bame-Aldrich (zoom), Julie Ekdom, and City Recorder Kimmie Jackson. Nicole Hedlund, a Council member, attended.

Audience: 14

- I. Announcement/Correspondence: None
- II. Citizens' Concerns: None
- III. CIP Budget

Neil Morphis gave an update on CIP spending. This included a comprehensive review of Capital Improvement Projects (CIP). The updates included the completion of fencing at Blackstone Reservoir and initial steps for commons storage improvements. Adjustments were made to planned projects, with updates on pavilion upgrades and deferrals of specific Commons projects pending the completion of the master plan. Of the \$1.5 million allocated for the fiscal year, \$329,000 has been spent. Projects in progress include the Little Log Church Museum and the library project, with bids due by January 16. Work has begun on the civic master plan and delineator project, and bids are being sought for handrails for the Commons Northeast stairs. Other projects are deferred until the master plan is finalized. The committee emphasized the necessity of a detailed five-year CIP projection for proper budget alignment and City Council approval. A detailed spreadsheet is available on the Agenda Center on the city's website.

Dave Buckwald, Wastewater Lead, reported on ongoing and upcoming projects. The pump plug projects are nearing completion, with only a few invoices pending. Upgrades to the wastewater plant are planned, although completion within the next five and a half months is uncertain. A



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new pump for the Pontiac lift station will also be purchased for approximately \$9,000–10,000, while a generator has been acquired for \$60,000. The wastewater plant upgrades have been allocated \$249,000 up to this point.

Rick McClung, Water Lead, provided updates on the 2nd Street waterline project, which did not receive a \$250,000 grant from ODOT. The project is now being scaled back to a \$100,000 cap. Structural and geotechnical inspections of the million-gallon tank revealed the ground is unsuitable for rebuilding due to earthquake risks. Work for a new reservoir includes geotechnical studies and property owner negotiations. Updates were also provided on UV system enhancements and wastewater plant upgrades. The committee discussed funding opportunities and potential collaborations with neighboring districts to enhance efficiency and address long-term storage and distribution challenges.

IV. The Finance Committee reviewed Chapter 3 of the Budget Manual.

The discussion focused on aligning financial allocations with strategic objectives and CIP goals. The committee considered rebalancing water and wastewater rates to reflect infrastructure needs better and explored customer-sharing agreements with neighboring districts to enhance revenue efficiency. Adjustments to capital reserves were proposed to ensure sufficient funds for critical future projects.

V. Ordinance 370

The committee examined Ordinance 370 and identified conflicting language regarding the discovery phase required before project spending. Removing the discovery phase requirement and redefining the Finance Committee's role to include audit result reviews was suggested.



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Member Bame-Aldred supported these changes, highlighting the importance of managing risk and audit oversight. Proposed revisions clarify project request submissions and align the ordinance with practical implementation. Expanding the committee's responsibilities to include internal control oversight and ongoing risk assessment was also discussed. These recommendations will be presented to the City Council for approval.

VI. The State of the City

The committee reviewed the State of the City report, which provided an overview of financial health and operational priorities. Key revenue sources were highlighted, such as transient rental taxes, water and wastewater fees, and urban renewal funds. The report also examined economic recovery trends following COVID-19 and their impact on fiscal policies.

VII. TRT History

Bobbi Price, City Manager, discussed the transient rental tax (TRT) revenue from this last year, noting contributions of \$932,000 from individual hotels, \$79,000 from Expedia, \$288,000 from personal homes, and \$43,000 from HomeAway. Efforts are underway to improve reporting and collection systems, including implementing a new collection system with Civic Plus to identify renters, owners, and license holders. A historical analysis revealed that TRT revenue increased from \$1.01 million in 2021 to \$1.34 million in 2024. Seasonal patterns were examined to refine revenue cycles and financial planning.

VIII. Finance Committee Overview

Tom Lauritzen highlighted the organization of grouped reports, including General Ledger accounts, budgets, and balance sheets. He emphasized the importance of identifying out-of-balance conditions and training in internal controls. The committee agreed on a balance sheet in reporting packages and a quarterly financial statement review. Discussions also



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covered proper accounting for leasehold improvements and addressing incorrect cash balances.

City Manager Price outlined the city's budget cycle, beginning with stakeholder input and goal setting and culminating in Council approval and government reporting. It proposed removing the five-year restriction on projects, adjusting revenue sources, and leveraging the balance sheet for future projects, creating budgets and revenues for capital projects, specifically focusing on the reservoir project.

Funding for CIP projects was discussed, with an expected \$230,000 influx from the Chamber and Oregon Coast Visitors Association for the trolley project. A supplemental budget will be prepared for February Council approval. Plans for the trolley include housing it in the old public works building and operating from May to September.

The meeting was adjourned at 11:30 am.

By Recorder Kimmie Jackson