

City of Yachats
FINANCE COMMITTEE

March 14, 2018

Approved Minutes

Chair Beaucaire called the March 14, 2018 meeting of the Finance Commission to order at 10:05 am in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Tom Lauritzen, Don Groth, Jim Tooke and John Moore. Absent: none. Staff present: Clerk Judy Richter, Wastewater Plant Lead Dave Buckwald, Water Plant Lead Rick McClung. Also present: Mayor Gerald Stanley, Councilor Barbara Frye. Audience: 2.

I. Minutes

A. February 14, 2018

Moore moved to approve the February 14, 2018 minutes: Aye – 4; No – 0.

II. Business

C. Fund 900-URD (Urban Renewal District)

Richter summarized the forecast on page two of the URD she was made in 2006. The actual is from the most recent Lincoln County Assessor tax rolls on their website. Moore clarified if there were consequences of over projecting value. Lauritzen noted the numbers were down because of the real estate market decline in the last decade.

Richter noted the numbers in the 2017-2018 row are year to date. She reported the County collections are broken down by the current year and prior years. The total accounts receivables are at \$73,376. Lauritzen speculated the \$42,280 of prior year collections in 2014-2015 is like a mistake.

Lauritzen summarized when the Council wanted to underground utilities in July 2016, the Finance Committee had to come up with a means to cover the costs. He noted the payouts for 2017 and 2018 are, in part, to address this issue. He pointed out there were no funds taken for city administration fee, south water tank, new hydrants, and street repair. Only a small amount was taken for drains and sidewalks.

Lauritzen explained, starting in 2019, the \$100,000 under south water tank would go to repayment of the IFA loan. He explained this structure would allow the City to complete the tank project without significantly impacting cash flow.

Lauritzen noted there is significant forgiveness on the \$1.4 million loan with IFA as long as the project is completed by November 2018. Depending on forgiveness level and whether they increase the loan, the \$100,000 should be more than adequate to cover the loan payment. If the actual repayment is less than \$100,000, he suggests applying

1 the reduction to other uses, such as the sewer plant. Moore noted sewer plant is at a
2 higher interest rate than the other loans. Lauritzen noted the sewer plant is now funded
3 by food and beverage taxes, some portion of SDCs, some part of the water and sewer
4 fund, and these URD amounts.

5
6 Richter noted there was money allocated in 2019 for new hydrants, street repairs, trails,
7 and 101 beautification. Lauritzen noted the \$1.2 million for sidewalks and curbs starting
8 in 2030 is repayment of interfund loans.

9
10 Tooke clarified last sewer plant payment will be in 2030 (maybe 2029).

11
12 McClung asked about overruns on South Tank. Lauritzen explained if they cannot
13 borrow the overruns, they can use interfund loans. Rick estimated a total cost of \$1.6
14 million to complete the tank.

15 16 **B. Review of FY18 Budget and potential CIP projects**

17
18 Moore explained the projects under Parks and Commons.

19 1. Changes for FY17-18: Moore indicated the only change for FY17-18 is for the
20 urinals. He anticipated the project would be completed in the next month.

21 22 2. FY18-19

23 Commons

- 24 - Moved the fitness trail project into one fiscal year at \$21,000
- 25 - The fire circle (\$5,000), Native American court (\$5,000), and main entry improvements
- 26 (\$26,000) are part of completing the Parks Master Plan.
- 27 - The entry portals were changed from \$22,500 to \$14,500 over the next four years

28 29 Log Church

30 Moore reported the south wall work still needs to be done, and they are waiting on
31 projected costs for repairs. He noted the work would not happen by June 30, 2018.
32 Moore explained there is significant rot in the south and east walls of the church. Moore
33 noted three ways to remedy: 1. Historical restoration with original logs; 2. Replace rotten
34 walls with 2x6 framing with half logs out outer façade; 3. Tear down and build a replica.
35 Last option has very optimistic long-term benefits. Moore noted many national
36 monuments are replicas, such as the USS Constitution. McClung reported he had done
37 research three years ago and found the half log idea was cheapest. McClung pointed
38 out the Little Log Church has scheduled weddings years into the future. Beaucaire said
39 the project could run 300,000. Groth asked what happens if harm would result from
40 delaying the repairs. Beaucaire explained the logs are rotting and potentially more
41 damage would occur if allowed to continue to rot. Lauritzen noted the cost could be split
42 over two years. They agreed to put \$150,000 in FY18-19 and in FY19-20.

43 44 Library

45 Moore reported the west wall does not need to be completed. Lauritzen noted there is
46 nothing yet submitted for Library projections on move costs. Beaucaire noted the City

1 Attorney has said and she heard at the Coastal Management Meeting that the designer
2 and the builder have to be separate parties because of Oregon procurement law.
3 Therefore, she must issue two RFPs. She estimated this approach could delay project
4 costs estimates by 6-9 months. Beaucaire reported the structural engineer has looked
5 at the Commons basement, the current library floor, and the crack in the 501 and will do
6 a formal structural analysis. She noted the Library Commission wants an analysis of
7 the structural capacity of the 501 attic. She reported the engineer is asking for \$7,000
8 to conduct his analysis and report on the three areas. Richter noted the Library has an
9 operational budget for books and supplies, but not for items like this. Lauritzen
10 indicated they could tweak the budget to get this analysis into the operational budget.
11 Moore asserted the analysis must be done. Richter noted there are some contingency
12 funds for the Commons in this fiscal year, and they will need to amend budget. Moore
13 clarified it would take at least three weeks to get the reports.

14
15 Lauritzen suggested there should be a project to authorize a capital project for Library
16 renovation. He first suggested \$20,000 for FY17-18 and \$50,000 for FY18-19.

17
18 Groth suggested having a different CIP for the 501 building. Lauritzen believed the
19 current general description could cover several approaches.

20
21 Lauritzen noted, as they have to present a five-year plan to the State as part of
22 budgeting process, they should add \$50,000 for each of the next two years (FY18-19
23 and FY19-20).

24
25 Frye reported the Friends of Library are estimating \$400,000 for the Library move costs
26 and did not think \$50,000 from the City was enough. Moore clarified Frye had stated
27 \$200,000 would be raised by the Friends, \$150,000 would come from a grant, and
28 \$50,000 would come from the City to total \$400,000.

29
30 Mayor Stanley asked about having a quorum of Councilors in the room. Beaucaire and
31 Mayor Stanley agreed the audience should just listen to the process and not participate
32 in negotiating. Lauritzen noted there would be two more opportunities for Councilors to
33 give input on the dollar amounts.

34 35 Trails

36 Moore reported the South Gateway sign would be completed this year, and Lauritzen
37 noted they should put the \$14,000 in amended plan.

38
39 Beaucaire reported the current appraisal for the Evans/Betz was substantially lower
40 than the original one the owners had. As a result, the owners may decide not to sell.
41 Beaucaire was informed there might be opportunity to develop housing on one portion
42 and to sell the cabin, which would mean the City should consider buying even more
43 property. She noted Kerry Kemp commented they are taking R1 land out of the pool of
44 R1 properties, and the Council should consider adding more R1 to the pool. This news
45 could impact whether they could get a grant. TPL had suggested delaying the project

1 for a year to see if the property owners would reconsider the selling price. Beaucaire
2 also noted there is not money for developing trails within the parcel.

3
4 Beaucaire stated the Ocean View Drive transfer is firm. Moore suggested leaving the
5 amounts as is until they receive more information on what the County will do with the
6 roads prior to transfer. Lauritzen indicated he would remove "match" from the
7 description. Lauritzen noted they could remove the \$50,000 in FY19-20, FY20-21, and
8 FY21-22.

9 10 Parking Improvements

11 Moore clarified with McClung that paving of parking on W 4th was included in Public
12 Works plan. Lauritzen indicated he would take out the \$30,000 for the current year and
13 move the \$50,000 to FY18-19. McClung noted they could use Visitors Amenities
14 money for parking around the ballfield. Lauritzen summarized they should have
15 \$50,000 in FY18-19 and another \$25,000 in FY19-20

16
17 Beaucaire clarified fireworks are not a CIP.

18
19 Beaucaire noted it was suggested to her that Visitors Amenities should cover
20 Emergency Operations Plan. Lauritzen clarified there is money for the EOP in FY18-19.

21
22 Beaucaire noted the Commons has expenses coming up to bring components into
23 code. Lauritzen suggested adding new line of Commons Building Code Upgrades in
24 FY17 for \$12,000.

25
26 Beaucaire indicated they need locking doors for picnic shelter, and Dave Rieseck had
27 provided an estimate. The work needs to be done this year, and the Sheriff's
28 Department noted doors would help with overnight camping. Lauritzen stated he would
29 add Picnic Shelter Doors in FY17-18 for \$10,000 under Visitors Amenities.

30 31 Website

32 Beaucaire noted the City is averaging \$3,000 per month for code development and she
33 is looking at website CMS systems development without outside agencies. She
34 expected an initial cost of \$10-15,000 and \$3,000 annually for maintenance. The
35 Committee discussed problems with the current website. Beaucaire noted Greg Scott
36 believed this approach would require additional staff time. Lauritzen noted the City is
37 currently using 1980s technology and needs to work more with current technologies.
38 Groth suggested the ongoing website development falls under operations.

39 40 WATER

41 Chemical Pump

42
43 Lauritzen noted they added the chemical pump this year at the last meeting.

44 45 In and Out Backwash Line

1 McClung noted they might be able to use Master Plan to cover the engineering for this
2 project. Lauritzen indicated this item would be in FY19-20 (\$45,000).
3

4 South Reservoir

5 Lauritzen indicated they need to change south reservoir from \$1.1 million to \$1.7
6 million, but not all will be spent by June 30. Richter recommended allocating
7 \$1,300,000 in FY17-18 and \$400,000 in FY18-19. Lauritzen noted they are going to be
8 increasing the loan to \$1,700,000. McClung asked about funding for the storm drains.
9 Lauritzen suggest they amend the loan for whatever amount the City can get.
10 Coating the 125,000-gallon Reservoir: McClung learned from classes that coating works
11 for a few years then becomes a maintenance problem. Lauritzen indicated he would
12 remove this \$35,000.
13

14 Raw Water Storage

15 Remove from FY24-25
16

17 Update Conversions

18 The \$20,000 in FY17-18 should be added to the \$65,000 in FY18-19 to total \$85,000 in
19 FY18-19
20

21 Buckwald reported he was not certain of the replacement of the vac truck until the
22 situation with Library is settled, as they will need proper enclosed storage for the truck.
23 Beaucaire noted the City has an obligation to protect its assets. Groth noted the pole
24 building is under sewer for FY18-19.
25

26 SEWER

27 Towable Spreader

28 Move \$20,000 to FY18-19
29

30 Crestview

31 McClung estimated the costs to be \$100,000 or more. McClung asked if there was a
32 number for the cost that would necessitate delaying this part of the project on
33 Crestview. Buckwald noted there is a line from Overlook to Lily, separate from
34 Crestview. Lauritzen asked about using eminent domain to be able to cross a property
35 on Overlook. The Committee talked about the neighbor dispute and how the City might
36 try to gain permission to cross private property. Buckwald reminded the Committee that
37 the vacant lots on Overlook would eventually need sewer. Buckwald indicated there are
38 29 properties without sewer access and 13 properties with septic tanks. Tooke
39 indicated he had forwarded information on State support of removing septic tanks.
40

41 Lauritzen suggested moving the Master Plan forward to address the sewer line issues
42 above. McClung noted \$50,000 could cover the line from the highway up to Overlook.
43 McClung estimated they could save money if they put the storm drains and sewer lines
44 into the same ditch. McClung estimated \$100,000 plus or minus 20% to get the two
45 lines into same trench.
46

1 The Committee decided to add a new line for Crestview Sewer for \$100,000 in this year
2 and \$50,000 in FY18-19.

3
4 Master Plan
5 Move to FY19-20.

6
7 Storm Drains
8 Buckwald clarified the \$7,000 was for the Hanley culvert.

9
10 CITY HALL

11 IT
12 Beaucaire recommended keeping the \$20,000 for the next three years. Lauritzen noted
13 that automating the database systems is not working and would not help to eliminate
14 human errors of input. Beaucaire noted they might have capital outlay for the network
15 and computers.

16
17 STREETS

18 Trees
19 Buckwald reported the City owns property near W 6th where there are 27 spruce trees
20 that pose a danger to the property at 542 w 7th. He suggested removing the trees, and
21 noted they have had to chain a tree to a backhoe to keep from it from falling.

22
23 Lauritzen summarized that tree removal will total \$16,000 of operational expense, with
24 \$6,000 allocated from Parks and Commons and \$10,000 from Streets.

25
26 Lauritzen summarized they have \$1,969,000 for FY18-19 in CIPs.

27
28
29 Buckwald clarified that the money for capitalizing street signs would be put back into the
30 operational side of Streets Funds.

31
32 The Committee set a date of March 29, 2018 at 1:00 pm to finalize the CIP.

33
34 Mayor Stanley stated he was not clear on the role of Tooke on this Committee
35 (Committee member or Council representative). He noted he was trying to get clarity on
36 how committees properly relate to each other.

37
38 Lauritzen moved to confirm Jim Tooke as member of Committee: Aye – 4; No – 0;
39 Abstain – 1 (Tooke).

40
41 Beaucaire adjourned meeting at 1:02 pm.
42
43
44
45
46

- 1 Shannon Beaucaire, Chair
- 2
- 3 Minutes prepared by H.H. Anderson on May 6, 2018.