City of Yachats

FINANCE COMMITTEE
July 17, 2019

Approved Minutes

I. Call to Order

Chair Shannon Beaucaire called the July 17, 2019 meeting of the Finance Commission to order at 10:02 am in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, David Rivinus (Library), Don Groth (Public Works), Jacqueline Danos (Planning), John Purcell (Parks and Commons), and Mayor John Moore. Absent: Jim Tooke. Staff present: Wastewater Treatment Plant Lead Dave Buckwald and Water Plan Lead Rick McClung. Audience: 4.

Beaucaire announced that Glen Aukstikalnis was resigning from the Committee as he was moving from the area. She asked Committee Members to search for potential new members.

II. Minutes April 10, 2019

Moore moved to approve the April 10, 2019 minutes as presented: Aye – 6; No – 0.

III. Business

A. Approved Documents for FY20 Budget

Beaucaire explained that these documents can replace the ones in the draft budget.

B. FY21 Budget Calendar

Beaucaire explained this calendar is an internal document identifying the dates of when items are expected. Beaucaire clarified there is a second Budget Committee meeting in March on the schedule that would only be needed if work was not completed at the March 19, 2020 meeting.

C. Transient Lodging Tax Tracking/Projections

Beaucaire reported she updated these pages for date from 2017-18 and 2018-19. The first page is a summary page titled, "City of Yachats Fiscal Collections Transient Rental Income and Food and Beverage Budget Worksheet 2018-2019." The second worksheet is titled, "City of Yachats Transient Rental Rate Income Impact / New Rates January 1, 2016." The third document is titled, "Food and Beverage Tax." She noted these sheets were a continuation of worksheets Tom Lauritzen had created.

Beaucaire explained the "Third Party" column represent income that come from third party companies like Airbnb and VRBO, and these could come from either vacation rentals or hotels. She also noted there is much discussion at the state level about providing a more precise breakdown of the income from these third-party companies.

Moore noted both the Overleaf and the Adobe figures were slightly down from the same period of the previous year, and yet the total for hotels was up. Members speculated on what could be contributing to this difference.

Groth asked about providing information on the flow of funds to Visitor Amenities, especially given that some are concerned about improperly using these restricted funds.

Moore noted that 2017-18 was down for all four quarters. Danos noted the numbers were all rounded off. Beaucaire indicated she would check these numbers for accuracy. Groth noted the total for the year from a previous worksheet was $1.4 million and this sheet was only showing $830,000. Beaucaire indicated she would find the breakdowns by quarter.

D. Highway 101, Fund 200, Ending Balance

Beaucaire noted there was an ending balance of $2,950 which coincided with the 2017-18 ending balance. She identified three sources of income for the 2017-18 year as ODOT storm drain funding, an Urban Renewal contribution, and $650,000 from capital reserves. Beaucaire asked the Committee to make a recommendation as to where this $2,950 should be returned. She added that out of the money from reserves, $200,000 was taken from water and $450,000 was taken from sewer. Beaucaire suggested send the money to water as their reserves were very low.

Purcell recommended that the ending fund balance of $2,950 in Fund 200 be returned to the water capital reserves fund: Aye – 6; No – 0.

E. South Tank Reservoir, Fund 668, Ending Balance

Beaucaire explained the documentation in the packet that represented significant effort devoted to discerning where the remaining balance came from. Groth asserted the original money came from reserves and suggested reimbursing it to the $650,000 from reserves. Moore clarified that prior to getting the ODOT loan, the money for the project was expended out of the water capital projects. Beaucaire noted of the $296,619, 165,000+ was for design and engineering and $130,000+ was for property acquisition. She noted this information was from an old accounting with Asyst system.

Moore asked if there were legal or accounting issues with moving the money back into reserves. Beaucaire noted this work would have been with the old auditors prior to 2017. Groth did not anticipate any issues. Beaucaire's only concern was over whether SDCs were used, but she could not find any documentation that indicated SDCs were used. Purcell clarified that the money was definitely not owed to another entity, and Beaucaire reported the fund for Business Oregon was audited and cleared. Moore noted that if SDC funds were used, they were used legitimately for the tank project. He did not see a problem with putting the leftover into reserves. Groth recalled the Urban Renewal fund had been audited and approved.

Moore moved to distribute the $211,412 ending balance of Fund 688 to reserves with water reserves being repaid in full and the remaining balance applied to wastewater reserves: Aye – 6; No – 0.

V. Other Business

A. From the Committee

Beaucaire explained she wanted the Committee to do homework to better address issues around proper use of Visitor Amenities Funds, whether the debt should be restructured, whether SDCs and URD funds were adequate, and whether funding projection and forecasting models would be helpful. She added that the new financial software company, Springbrook, indicated they could assist in financial forecasting.

Moore suggested they start with understanding the state requirements on restricted funds for the Visitor Amenities Fund. Danos asked for a summary of where the money was being used so they could understand why some people were pushing back on these uses. Groth noted Fund 120 shows the disbursement to various projects. Moore noted “Streets” in this section referred to the purchase of parking with the acquisition of the 501 Building. Groth noted they may want to consider if they needed to transfer some of the unused funds for parking back to the source.

Beaucaire noted she could include information on the loans in the packet for the next meeting and the Committee could discuss them if time permitted. She also stated she would provide some information on the Urban Renewal Fund and related loan commitment.

Groth asked if the Food and Beverage Tax would go away when the sewer loan was repaid. Beaucaire indicated she would need to look at what exactly the ballot measure stated.

Groth and Beaucaire discussed managing the worksheets to work with the new accounting software. Beaucaire the new chart of accounts would likely necessitate a few adjustments.

Beaucaire noted the City has retained an account with Chaves, the old accounting system, in order to have continued access to the historical data.

B. From the Staff – none

C. From the Floor – none

With no further business before the Committee, Beaucaire adjourned meeting at 11:10 am.

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Shannon Beaucaire, Chair

Minutes prepared by H.H. Anderson on August 8, 2019.