



City of Yachats

FINANCE COMMITTEE

October 9, 2019

Draft Minutes

I. Call to Order

Chair Shannon Beaucaire called the October 9, 2019 meeting of the Finance Commission to order at 10:00 am in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Don Groth (Public Works), Jacqueline Danos (Planning), John Purcell (Parks and Commons), David Rivinus (Library), and Mayor John Moore. Absent: Jim Tooke (Council). Staff present: none. Audience: 3.

II. Minutes August 14, 2019

Moore noted there was a credit for \$134,000 for LIDs principle balances and wanted to know where these funds went. Beaucaire indicated she would research the issue.

Moore moved to approve the September 11, 2019 minutes as presented: Aye – 5; No – 0; Abstain – 1 (Rivinus, not present at meeting).

III. New Business

A. Financial Planning: Interfund Loans and URD

Beaucaire explained that the packet item titled, “Yachats Financial Planning Purposes” was a summary of historical and current data on the interfund loans. She explained the “Interfund Loan Status” page was what she worked on with Tom Lauritzen. She noted the footnote explaining the \$1,332 difference in the interfund loan amount and noted there was no need to investigate that further.

Beaucaire explained the second interfund loan was only recorded by motion only and was shown in the minutes for that Council meeting included in the Finance meeting packet.

Beaucaire stated the Capital Reserves sheet shows a line item for “501 Bldg Interfund Loans” in beginning in FY15-16 with a balance of \$254,480. A line item for “Highway 101 Interfund Loans” starts in FY17-18 with a balance of \$200,000 from Water and \$450,000 from Sewer. Moore clarified that the SDC balance was around \$35,000. Beaucaire stated the Fund 160 ending balance for FY19-20 was around \$419,000.

Moore asked what funds were gained in SDCs over the past year. Groth estimated the amount to be around \$177,000. Moore suggested a conservative amount of \$150,000 to go toward repaying interfund transfers. Beaucaire indicated this transfer could be an option.

1 Moore recalled the URD contributes \$100,000 toward the south tank but only \$40,000 was
2 needed for the debt, leaving \$60,000 to go toward repaying the 5% loan to retire it in five years.

3
4 Groth clarified there was \$64,000 in the SDCs for interfund transfers.

5
6 Beaucaire explained in the URD Summary on page 6, the Amended URD Plan line for the South
7 Water Tank was \$1.7 million. This amount would be changed to \$1 million with the loan
8 forgiveness when the URD was amended.

9
10 Beaucaire noted there was a “budgeted” line item for FY2020 (not the actual).

11
12 She explained the blue highlighted items were transactions that have been completed.

13
14 She noted the actuals are through June 30, 2019 and remaining balances after July 1, 2019.
15 Beaucaire stated the attorney stated that URD funds are supposed to be spent on projects within
16 the URD. She noted that there were discussions when the sewer plant was planned about what
17 percentage of the sewer plant the URD would cover. Groth and Moore suggested streets, sewer,
18 water, and storm drains could use URD funds. Beaucaire stated the statute states projects are for
19 “the urban renewal area.” Groth clarified the \$95,000 for Sewer was going toward the debt and
20 was proportioned to the area the URD covers. Purcell suggested there should be case law about
21 how these URD funds are used. Moore noted the South Tank sits outside the URD but it
22 supplies water within the URD. Danos asked if there was a statement that the South Tank was to
23 support the URD properties. Groth noted the South Tank was now part of the total water system.

24
25 Beaucaire noted Lauritzen has suggested the “Sidewalks w/curbs 101” could be used to pay the
26 \$650,000 interfund loans for the 101 Project.

27
28 Beaucaire suggested the URD was a resource to build up reserves and balancing out repayment
29 of loans. She noted the Food & Beverage tax was established to contribute 55%, but the amount
30 of revenues from this tax was significantly higher than it was when this amount was set. She
31 noted the options she outlined in her memo to:

- 32
33 1. Stop taking SDC funds
34 2. Stop taking Sewer fund dollars
35 3. Continue above payment plans and reduce URD funds
36 4. Another combination
37

38 **B. Amended FY2020 CIP**

39 Beaucaire stated the proposed changes to the CIP are primarily in Water and Wastewater.

40
41 Beaucaire reviewed the status of and changes to the CIP projects.

42 Water Projects

- 43
44 1. Backwash: 100% by SDC, 15% complete
45 2. Repair to shop doors: moved to FY20-21
46 3. Update to water master plan: 30% complete and City has received a \$20,000 grant

4. Earthquake water valve: 20% of project complete and 50% of engineering complete
5. Water plant: The \$50,000 was to replace valves because of age and discussions are in process
6. Water rate study: 50% complete
7. Source water protection plan: new line item and received \$30,000 grant to address
8. Water vehicle: removed the item
9. Removed replacement of vac truck: Public Works believed they can limp another year but Beaucaire thinks this choice might be problematic.
10. SCADA: still included

Groth clarified the new meter reader was budgeted under City Hall.

Wastewater Projects

1. Air valve: complete
 2. Side gate: 5% complete
 3. Solids pole building: may blend into another fiscal year because of difficulty finding a contractor
 4. UV Building doors: not in process yet but needed
 5. Repairs to rollup doors: 15% complete
 6. Wastewater master plan: recently completed grant application for \$20,000
 7. Water rate study: \$20,000
- Beaucaire noted the two above \$20,000 items likely will not use the full amount
8. Vac Truck: item removed
 9. Variable Frequency Drive: item added at \$8,000. The drive failed and was replaced with an upgraded model.

City Hall

1. Meter read interface: the upgrade to the handheld will be part of this \$10,000. Beaucaire noted the current handheld crashed during the last reading process and other jurisdictions are experiencing similar crash problems. Beaucaire explained uploads must be done by routes and not days of readings. She reported the City use two workers on overtime over the weekend to get readings done. She noted using crew on overtime twice to do the re-reads would cover the cost of the handheld device.

Beaucaire noted there were approximately 50 meters in town that were still the old Schlumberger meters. Purcell asked if the City could hire a contractor to come in to replace all the meters. Beaucaire indicated that Seal Rock did hire someone to replace meters with AMIs. Beaucaire reported the sales person stated that, with the AMI system, a clerk could read 80% of the meters from their desk. Beaucaire stated readings currently take a crew member 2 ½ days to read.

Moore noted Parks and Commons eliminated the Public Restrooms project for \$45,000 in FY20-21.

Groth asked about adding a \$10,000 CIP for a new emergency storage container.

1 Moore moved to approve the amended Capital Plan and to remove the Public Restroom project
2 in FY20-21: Aye – 6; No – 0.
3

4 Groth asked if the container could be added at the next meeting. Beaucaire suggested that Groth
5 have the Commission include this item as part of the new budget cycle.
6

7 **C. Financial Forecasting**

8 Beaucaire stated she had a discussion with Springbrook who indicated they were not certain if
9 they could do the financial forecasting. She stated she talked to Spencer Nebel, Newport City
10 Manager, who was planning to outsource implementing the Aumsville financial forecasting
11 worksheet. Beaucaire wanted to move forward with using some sort of financial forecasting for
12 personnel costs.
13

14 The Committee discussed ways to implement a financial forecasting spreadsheet for personnel.
15 Danos and Groth agreed to work on this issue.
16

17 **D. Financial and Utility Billing Policies**

18 Beaucaire explained she found a policy from Newberg, OR that looked at the utility billing
19 system for all steps in the process. She has asked Public Works and Streets Commission to
20 compile the City's policies into one document.
21

22 She was also asking COG to prepare a similar document for financial policies. She also wanted
23 to include how restricted funds were used. She heard Corvallis had good documents, and she has
24 asked for those documents from Corvallis. She wanted input from the Committee on how they
25 utilize restricted funds.
26

27 **E. Financial Reports**

28 Beaucaire reported she went through the most recent reports produced by COG. She indicated
29 she was trying to follow best practices for the different funds. She noted there were some items
30 indicated as "unbudgeted," which only meant that these items were pulled out of other items.
31 She noted the legal fees and computer related costs fell under this situation. She also noted some
32 items were condensed. She stated they were trying to get better transparency for labor
33 allocations.
34

35 Groth noted there was a negative number that needed to be positive.
36

37 Beaucaire explained that credit card fees will be part of rents and fees.
38

39 Beaucaire explained they were still allocating labor to various departments and were working to
40 provide a summary number for all allocations for a specific labor type.
41

42 Beaucaire explained that with Chaves, the City formerly transferred the full amount between
43 funds at the beginning of the year. She noted this approach impacted the budget numbers, as not
44 all of the revenues for those transfers were collected at the time the transfers were made. She
45 suggested they make quarterly transfers. The Committee approved of making quarterly transfers
46 from the General Fund and from Visitors Amenities.

1
2 Beaucaire stated she hoped to have the reports finalized by the end of November 2019.

3
4 The Committee discussed what can be obtained with reports from Springbrook.

5
6 Groth asked for the status at the audit entries. Beaucaire indicated they were 70% complete and
7 COG has asked for more time to complete it.

8
9 Groth had concern about matching numbers from the new reports to the budget. Beaucaire
10 indicated she thought his questions would be addressed.

11
12 **V. Other Business**

13 **A. From the Committee** – none

14 **B. From the Staff** – none

15 **C. From the Floor** – none

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17 With no further business before the Committee, Beaucaire adjourned meeting at 11:17 am.
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24 Shannon Beaucaire, Chair

25 Minutes prepared by H.H. Anderson on October 14, 2019.