

Minutes of the  
**CITY OF CANNON BEACH**  
**BUDGET COMMITTEE**

Tuesday, April 27, 2010  
Council Chambers

Present: Budget Committee Members Chair Sharon Clyde, Sally Stevens, Nancy Littell and Marty Schwab Harris; Council President Sam Steidel; Councilors Nancy Giasson, Melissa Cadwallader and Wendy Higgins

Excused: Committee Member Herb Florer; Mayor Mike Morgan

Staff: City Manager Rich Mays, Finance Director Renee Sinclair and Administrative Specialist Alisha Smith

CALL TO ORDER

Chair Clyde called the meeting to order at 5:15 p.m.

Motion: Giasson moved to approve the agenda; Steidel seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passes unanimously.

**(1) Approval of the Minutes of the Budget Committee Meeting of June 3, 2009.**

Motion: Schwab Harris moved to approve the Budget Committee minutes as presented; Higgins seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passes unanimously.

**(2) Election of Chair and Vice Chair**

Chair Clyde asked for nominations for Chair.

Motion: Stevens nominated Clyde for Chair. Littell seconded the nomination. There were no further nominations.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passed.

Chair Clyde asked for nominations for Vice Chair.

Motion: Cadwallader nominated Florer. Littell seconded the nomination. There were no further nominations.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passed.

**(3) Budget Message/Overview**

Mays reviewed the role of the Budget Committee as stated in ORS 294.401(1).

In response to a discussion, Giasson commented that the City Council determines budget priorities.

Mays reviewed funds and provided an overview for FY 2010-2011. He noted that five of the eight operating funds are Enterprise Funds. The RV Park, Recycling, Water, Wastewater, and Storm Funds are not tax supported.

In response to a question by Giasson, Sinclair reviewed that the Roads Fund is separate from the General Fund because it is partially supported by Highway taxes and revenue is shared by the State of Oregon.

In response to a question from Stevens, Sinclair reviewed that the Storm and Roads Funds are not expected to have a fund balance carryover. Mays added that funds are transferred from the General Fund to balance the Storm and Roads Funds.

Committee members discussed a proposed 3% rate increase on utility bills.

In response to a question by Clyde regarding the potential utility bill increase, Mays stated that the increase would be effective July 1, 2010. Sinclair stated that customers will be notified via their utility bill prior to increase.

Mays commented that this will be the first water rate increase in 7 years.

Sinclair reviewed the Utility Rate Analysis FY 2010-2011, noting that the utility rate increase would be approximately \$1.10 for monthly minimum residential utility bills.

Mays reviewed the General Fund proposed expenditures - Personal Services, Materials and Services, Capital Outlay and Transfers. He reviewed that there is an increase in Materials and Services to provide for more community grants and to provide more funds for restrooms, trash and litter services.

Mays lead a discussion on special requests. He noted that Mayor Morgan has asked that funds be established for the summer concerts in the park.

In response to a question from Littell, Sinclair confirmed that the Cannon Beach Arts Association may apply for funding from the potential Arts and Tourism Fund.

Mays reviewed the Budget Analysis Detail FY 2011.

Sinclair noted a correction under Capital Projects - Water Fund, CPS Solution should be GPS Solution.

#### **(4) Future Meeting Schedule**

Committee members scheduled the next meeting for Wednesday, May 5th at 5:15pm and subsequent meetings for Monday, May 10th and Wednesday, June 2nd at 5:15pm.

#### **PUBLIC COMMENT ON PROPOSED BUDGET**

There was none.

#### **INFORMATIONAL ITEMS**

#### **(5) Good of the Order**

There was none.

Meeting was adjourned at 6:55

ATTEST:

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Alisha Smith, Administrative Specialist

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Sharon Clyde, Chair

Minutes of the  
**CITY OF CANNON BEACH**  
**BUDGET COMMITTEE**

Wednesday May 5, 2010  
Council Chambers

Present: Budget Committee Members Chair Sharon Clyde, Sally Stevens, Nancy Littell, Herb Florer and Marty Schwab Harris; Mayor Mike Morgan; Council President Sam Steidel; Councilors Nancy Giasson, Melissa Cadwallader and Wendy Higgins.

Excused: None.

Staff: City Manager Rich Mays, Police Chief Gene Halliburton, Finance Director Renée Sinclair, City Planner Rainmar Bartl, Public Works Director Mark See, Haystack Rock Awareness Program Coordinator Nala Cardillo and Administrative Specialist Alisha Smith

CALL TO ORDER

Chair Clyde called the meeting to order at 5:15 p.m.

Motion: Littell moved to approve the agenda; Higgins seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell, Florer, Morgan and Cadwallader voted AYE; the vote was 10/0 in favor and the motion passes unanimously.

**(1) Approval of the Minutes of the Budget Committee Meeting of April 27, 2010.**

Clyde noted that Giasson moved to approve the agenda. Clyde also noted a typographical error on page two, paragraph four, 'lodging tax increase' should be 'utility bill increase'.

Motion: Littell moved to approve the Budget Committee minutes as corrected; Higgins seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passes unanimously. Florer and Morgan abstained from the vote since they were not present.

DISCUSSION ITEMS

**(2) General Fund**

Mays reviewed the first ten pages of the proposed budget.

In response to a discussion by the Committee, Mays reviewed that the Administrative Services Fund has decreased.

Mays summarized the General Fund.

Mays reviewed the one percent (1%) transient lodging tax increase and noted that accounts have been set up in four categories to accurately capture the one percent (1%) transient lodging tax increase.

Schwab Harris noted that the Committee may want to consider decreasing the funds budgeted for line 19, page 12, Interest Income.

In response to a question from Morgan, Sinclair noted a typographical error on line 16, page 12, Land Leases. '\$14,500' should be '\$27,940'.

Mays noted that staff will be reevaluating the lodging tax revenue in the third quarter and report back to the Committee.

Morgan requested additional funds for Tolovana Club Maintenance. The Committee discussed improvements needed and agreed to review a possible increase.

Police Chief Gene Haliburton reviewed the Police Department budget. Mays noted a title change on line 11 and 14, page 30, 'Emergency Shelters' should be 'Emergency Cache Site'.

Mays read an email from Fire Chief Cleve Rooper requesting funds from the City to assist with maintenance of the Coastal Warning System. In response to Committee discussion, Mays stated that he will request additional information from the fire department and revisit this request at the next budget meeting.

Public Works Director Mark See reviewed the Parks Department budget. See reviewed that the City has applied for an \$83,000 grant from the Oregon Parks and Recreation for the pedestrian trail. A discussion followed.

The Committee discussed increasing funds for the maintenance of City parks. In response to a question by Morgan, Mays reviewed that personnel services have not decreased, the monies are tracked more accurately than in previous years. The Committee agreed to discuss additional funds for the City parks at the next budget meeting.

Committee members discussed allocating funds to improve drainage in City Park and agreed to discuss this further at the next budget meeting. In response to a question by Clyde, See reviewed that he will provide information on engineering cost of possible improvements at the next meeting.

City Planner Rainmar Bartl reviewed the Planning Department budget. He summarized previous, current and future Planning projects.

Haystack Rock Awareness Coordinator Nala Cardilla reviewed the Haystack Rock Awareness Program and budget.

Mays reviewed the Community Grants. In response to a question from Steidel, Mays reviewed that the Community Grant budget was developed before the 1% transient lodging tax increase and forming of the Tourism and Arts Fund (TAF). Therefore not accounting that some grants may be possible through the TAF.

Morgan led a discussion regarding the bus shelter located at the R.V. Park. Committee members agreed to continue discussing this matter at the next budget meeting.

In response to a question from Clyde, Sinclair noted that the net cost of the Sculpture Without Walls programs is reflected in the budget.

The Committee reviewed and discussed the Farmer's Market budget.

Mays reviewed transfers.

Mays concluded by reviewing the budget by division, page 32, Recap by Division.

### **(3) Other Funds**

Committee members agreed to continue discussion at the May 5, 2010 budget meeting.

#### PUBLIC COMMENT ON PROPOSED BUDGET

There was none.

*Minutes, City of Cannon Beach Budget Committee, May 5, 2010*

INFORMATIONAL ITEMS

**(5) Good of the Order**

There was none.

Meeting was adjourned at 8:45 p.m.

ATTEST:

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Alisha Smith, Administrative Specialist

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Sharon Clyde, Chair

Minutes of the  
**CITY OF CANNON BEACH**  
**BUDGET COMMITTEE**

Monday May 10, 2010  
Council Chambers

Present: Budget Committee Members Chair Sharon Clyde, Sally Stevens, Nancy Littell, Herb Florer and Marty Schwab Harris; Mayor Mike Morgan; Council President Sam Steidel; Councilors Nancy Giasson, Melissa Cadwallader and Wendy Higgins.

Excused: None.

Staff: City Manager Rich Mays, Finance and IT Director Renée Sinclair, Public Works Director Mark See, Building Official Mark Brien and Administrative Specialist Alisha Smith

CALL TO ORDER

Chair Clyde called the meeting to order at 5:15 p.m.

Motion: Stevens moved to approve the agenda; Florer seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell, Florer, Morgan and Cadwallader voted AYE; the vote was 10/0 in favor and the motion passes unanimously.

**(1) Approval of the Minutes of the Budget Committee Meeting of May 5, 2010.**

Motion: Cadwallader moved to approve the Budget Committee minutes of May 5, 2010 as presented; Stevens seconded the motion.

Vote: Higgins, Stevens, Schwab Harris, Giasson, Steidel, Clyde, Littell, Florer, Morgan and Cadwallader voted AYE; the vote was 10/0 in favor and the motion passes unanimously.

DISCUSSION ITEMS

**(2) Other Funds**

City Manager Rich Mays reviewed the Tourism and Arts Fund.

Building Official Mark Brien reviewed the Building Official Fund.

Mays reviewed the RV Park Enterprise Fund. Mays noted that Escape Lodging is contracted to manage the RV Park. In response to a question from Schwab Harris, Sinclair reviewed that auditors perform a 'desk review' of the Escape Lodging's books. In response to a question from Morgan, Sinclair noted that of the 1.2 million revenue the City of Cannon Beach nets \$100,000. Sinclair led a discussion on allocation of funds.

Mays reviewed the Recycling Enterprise Fund. Mays noted that funds for the relocation of the Wastewater Plant will be transferred from the Recycling Enterprise Fund. Mays led a discussion regarding the Commingled Recycle Program. In regards to a question from Schwab Harris, See replied that Materials & Services are more accurately tracked and broken down into separate items.

Mays reviewed the Water Enterprise Fund. Morgan led a discussion regarding re-evaluating water and sewer rates. Sinclair noted that the City now has software to survey and evaluate the City's rates and will be re-evaluating mid year. In response to a question by Florer, See noted that the GPS Solution, page 46, line item 9, is part of the City's GIS service and will incorporate the City's underground infrastructure into the GIS Mapping.

Mays reviewed the Wastewater Enterprise Fund. In response to a question from Clyde, Sinclair noted that a \$100,000 cash carryover is estimated. Sinclair led a discussion regarding Personal Services. In response to a question from Morgan, See noted that fees may be allocated for an engineering study to review possible energy

saving updates for the Sewer Treatment Plant. In response to a question from Morgan, Sinclair noted that the City has retired the 2003 GO Bond.

Mays reviewed the Storm Drain Enterprise Fund. Sinclair noted that Storm-Water Testing will be moving to Materials and Services. In response to a question from Giasson, Sinclair noted that page 53, line item 8 will be changed from 'PW-16 Little Pompey' to 'Downtown Storm-Water Testing'.

Mays reviewed the Debt Service Fund. In response to Committee discussion Sinclair noted that the North Entrance Payment to the State of Oregon is budgeted for 10 years. In response to Committee discussion Sinclair noted that the bond payment for the acquisition of the 800 acres will be reflected in the next fiscal year. Sinclair led a discussion regarding bond issues.

Mays discussed the Roads Fund and its resources with the Committee.

Mays reviewed the RV Park R & R Fund. In response to a question from Morgan, See noted that the City will be refurbishing some of the RV Park sites.

Mays reviewed the Roads R & R Fund. In response to Committee discussion, Mays noted that monies have been transferred from the General Fund to Maintenance Reserve for the Ecola Bridge.

Mays reviewed the Recycling R& R Fund. In response to a question from Schwab Harris, Sinclair noted that last year \$164,015 was transferred from the Recycling Fund into the Recycling R & R Fund and this year \$140, 970 will be transferred from the Recycling R & R Fund into the Recycling Fund to support capital projects.

Mays reviewed the Water R & R Fund, the Wastewater R & R Fund and the Storm Drain R & R Fund.

Mays reviewed the General Government R & R Fund. Sinclair noted that the City would like to combine the General Reserve with the Transient Lodging Reserve.

Mays reviewed the Administrative Services Fund. In response to Committee discussion, Sinclair noted that the City attorney is considered an irregular employee and not paid through payroll. In response to a question from Clyde, Mays noted that the fees for the Oregon Government Ethics Commission Workshop are located on page 77, line item 3. Also, in response to a question from Clyde regarding new line item 16, page 80, Mays noted that the City would like to hire someone to help maintain the City's website. Mays noted that the Public Works Administrative budget is a new item this year.

#### PUBLIC COMMENT ON PROPOSED BUDGET

There was none.

#### INFORMATIONAL ITEMS

##### **(5) Good of the Order**

There was none.

Meeting was adjourned at 7:42 p.m.

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Alisha Smith, Administrative Specialist

ATTEST:

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Sharon Clyde, Chair