

Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Thursday, May 10, 2012
Council Chambers

Present: Budget Committee Members: Chair Sharon Clyde, Richard Bertellotti, Marty Schwab-Harris, Sally Stevens, Mayor Mike Morgan, Council President Sam Steidel, Councilors; Nancy Giasson and Councilor Wendy Higgins

Excused: Vice-Chair Herb Florer and Councilor Melissa Cadwallader

Staff: Public Works Director Mark See, Finance Director Renee Sinclair and Administrative Specialist Alisha Smith

CALL TO ORDER

Chair Clyde called the meeting to order at 5:30 p.m.

Motion: Schwab-Harris moved to approve the agenda; Bertellotti approved the motion.

Vote: Clyde, Bertellotti, Schwab-Harris, Stevens, Morgan, Steidel, Giasson and Higgins 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 May 16, 2011 and May 19, 2011.

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

Vote: Clyde, Bertellotti, Schwab-Harris, Stevens, Morgan, Steidel, Giasson and Higgins 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. Morgan seconded the nomination. There were no further nominations.

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

Chair Clyde asked for nominations for Vice Chair.

Motion: Steidel nominated Schwab-Harris for Vice-Chair. Morgan seconded the nomination. There were no further nominations.

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

(3) Budget Message/Overview

Sinclair reviewed the budget message for fiscal year 2012-13 including; fund balance analysis, Council priorities, key issues and trends, and revenue/expenditure assumptions. Sinclair noted a fee rate increase of 3.16% based on the CPI-U. In response to a question from Higgins, Sinclair noted that the Children's Center Grant has been separated out of Community Grants to its own line item, showing an increase of 3.16%. In response to a question from Schwab-Harris regarding additional beach clean-up for the Japanese tsunami debris, See noted that a sub-committee has been created by City Council to address this year's annual fee increase from Western Oregon Waste (W.O.W.) and will most likely address additional services for debris as well.

Sinclair reviewed the City of Cannon Beach Organizational Chart, noting that the Volunteer Coordinator position for HRAP (1000 hour position approved by the Committee last year) is not presented on the organizational chart. In response to Committee discussion, Sinclair noted that the position is less than half time, therefore is a non-benefited position. Sinclair stated that two longevity bonuses will be given this year for Public Works department workers Darryl Walker and Kirk Anderson. In response to a question from Morgan, Sinclair noted that the only change in staffing is the Volunteer Coordinator classification. The Committee discussed an increase in the use of Consultants.

Sinclair reviewed City of Cannon Beach staffing.

Sinclair reviewed labor allocation by department, noting the Building Official labor allocation has changed to 14% Executive Admin and 86% Building.

Sinclair reviewed appropriations by function.

Sinclair reviewed resources by category. The Committee discussed “interfund transfers”.

Sinclair reviewed resources by fund.

Sinclair reviewed requirements by fund and department noting a \$2,046,010 unappropriated ending fund balance.

(4) Reserve Funds

Sinclair reviewed the RV Park Repair & Replacement Reserve Fund. In response to a question from Clyde, Sinclair noted that interest income was so little that interest has not been allocated across funds. In response to Committee discussion, Sinclair noted that dollars from this fund are available for general government use under Council decision only. In response to Committee discussion regarding capital outlay for repairs to the RV Park, Sinclair noted that the \$15,000 is planned for capital projects for the RV Park.

Sinclair reviewed the Roads Repair & Replacement Reserve Fund, noting that no funds have been transferred in from the general fund for north entrance payment. The Committee discussed the possibility of transferring funds for bridge replacement from the RV Park Reserve Fund, however, the Committee decided to defer action until the consultant study is completed regarding RV Park improvements.

Sinclair reviewed the Recycling Repair & Replacement Reserve Fund.

Sinclair reviewed the Water Repair & Replacement Reserve Fund. In response to Committee discussion, Sinclair noted that the City’s reserve funds are extremely healthy and that we are able to draw down on the reserves to fund Capital Projects. In response to a question from Higgins, Sinclair noted that \$250,000 was transferred to Wastewater Reserve Fund and \$50,000 into the Water Reserve Fund in previous years, this year is the first year there is no inflows. The Committee discussed concerns regarding not transferring funds into the Reserve Funds. In response to Committee discussion Sinclair noted that this is a year to year consideration. See noted that if the Capital Projects are not done then the funds will not be transferred.

Sinclair reviewed the Wastewater Repair & Replacement Reserve Fund.

Sinclair reviewed the Storm Drain Repair & Replacement Reserve Fund.

Sinclair reviewed the General Government Repair & Replacement Reserve Fund. In response to a question from Bertellotti, Sinclair stated that these funds can be transferred to any fund. In response to Committee discussion regarding funds needed prior to a catastrophic events, Sinclair noted that the City has general liability property insurance.

Bertellotti suggested that the Committee discuss transferring funds to the Roads Reserve Fund at the next meeting.

PUBLIC COMMENT ON PROPOSED BUDGET

There was none.

INFORMATIONAL ITEMS

(5) Good of the Order

Sinclair reminded the Committee that the next Budget Committee meeting will be Thursday, May 17, 2012 at 5:30 p.m. at Haystack Gardens.

ADJOURNMENT

The meeting was adjourned at 7:36 p.m.

Alisha Smith, Administrative Specialist

ATTEST:

Sharon Clyde, Chair

Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Thursday, May 17, 2012
Haystack Gardens

Present: Budget Committee Members: Chair Sharon Clyde, Vice-Chair Herb Florer, Richard Bertellotti, Marty Schwab-Harris, Sally Stevens, Mayor Mike Morgan, Council President Sam Steidel, Councilors; Nancy Giasson and Councilor Wendy Higgins

Excused: Councilor Melissa Cadwallader

Staff: City Manager Rich Mays, Public Works Director Mark See, Finance Director Renee Sinclair, City Planner Rainmar Bartl, HRAP Coordinator Nala Cardillo, Interim Chief Ron Onchi, Accounting Clerk Jean White and Administrative Specialist Alisha Smith

CALL TO ORDER

Chair Clyde called the meeting to order at 5:30 p.m.

Motion: Bertellotti moved to approve the agenda as amended; Morgan seconded the motion.

Vote: Clyde, Florer, Bertellotti, Schwab-Harris, Stevens, Morgan, Steidel, Giasson and Higgins voted AYE; the vote was 9/0 in favor and the motion passes unanimously.

(1) Approval of the Minutes of the Budget Committee Meeting of May 10, 2012.

Motion: Bertellotti moved to approve the Budget Committee minutes as amended; Schwab-Harris seconded the motion.

Vote: Clyde, Florer, Bertellotti, Schwab-Harris, Stevens, Morgan, Steidel, Giasson and Higgins voted AYE; the vote was 9/0 in favor and the motion passes unanimously.

(2) City Manager Rich Mays: Community Programs, HRAP, Farmers Market, Municipal Court

Mays reviewed the Budget Analysis, noting revenues without fund balance. Mays reviewed the lodging tax revenue, noting that it is a conservative number and noted a 4.8% increase over a similar fourth quarter last fiscal year. Sinclair noted that the "YTD Actual" for 2011-2012 is not correct. Mays reviewed property tax revenue, noting a county tax appeal by Georgia Pacific. He stated that the settlement is complete and will result in a \$4,000 reduction in property tax revenue. Mays reviewed franchise fees (Charter, Northwest Natural, and Century Link). Mays reviewed General Fund Revenue including HRAP, Farmer's Market and Municipal Court. In response to a question from Giasson, Mays noted that all expenses exceed revenue. In response to a question from Bertellotti regarding the year to date actual for lodging tax, Mays noted a total of \$1,870,664, noting that the spring quarter is the most consistent accounting for 25% of the revenue.

Mays reviewed his email to the Budget Committee titled "Additional Considerations". Mays noted additional considerations for; the Sunset Empire bus service, Tolovana Hall landscaping improvements, Pedestrian Trail interpretive signage, and public radio service upgrade. He also noted possible general fund cuts including the Summer Concert series and the Summer Recreation Program.

Mays reviewed General Fund - Community Programs. In response to Committee discussion Mays noted the recommended Shuttle Subsidy line item budget needs to be increased to \$56,151. Mays noted the Summer Concerts line item has changed from \$10,000 to \$0. Mays noted the Children's Center is now a separate line item from the City Grants and has been increased by the CPI. The Committee discussed the Children's Center at length, recommending that the Children's Center be placed on a "contract" similar to

the Information Center and be paid funds quarterly or monthly. The Committee discussed other possible funding for the Center with the Children's Center Financial Officer Barb Knop and the Interim Director Amanda Payne.

Cannon Beach Garden Club member Beth Holland reviewed her handout regarding Tolovana Hall landscape improvements. The Committee discussed increasing funds by \$5,500, to total \$10,000 for this line item.

Motion: Bertellotti moved that the Summer Concerts line item be changed to \$0, that \$5,500 be added to Tolovana Club Maintenance line item, that \$6,151 be added to the Shuttle Subsidy line item, and that the Committee adopt all other line items in the Community Programs budget.

Vote: Clyde, Florer, Bertellotti, Schwab-Harris, Stevens, Morgan, Steidel, Giasson and Higgins voted AYE; the vote was 9/0 in favor and the motion passes unanimously.

The Committee discussed conditions for the Children's Center grant, the consensus was to have the City Council review conditions further.

Mays reviewed the General Fund - Parks. The Committee discussed a possible grant of \$77,000 for the Pedestrian Trail improvements. In response to a question from Schwab-Harris, Mays noted that if the City does not receive the grant, plans will move forward for the trail and another project will be postponed. In response to Committee discussion, See noted that completing the Parks building was listed as highest priority by the Parks and Community Services Committee. In response to a question from Stevens regarding \$25,000 for the City Park Drainage line item, See noted that an additional \$70,000 is needed to incorporate an irrigation system with the drainage system. In response to Committee discussion regarding City Park drainage, See noted that funds last year were used to investigate the cost and not to begin the project.

Mays reviewed the General Fund - Municipal Court. In response to a question from Schwab-Harris, Sinclair noted that the revenue comes from court fines. In response to a question from Giasson, Sinclair noted that fines for violation of ordinances are also accounted for in this department.

Mays reviewed General Fund - Farmers Market. In response to a question from Giasson, Sinclair noted that the source of revenue in this fund comes from vender fees. Sinclair reviewed the vender fees. Sinclair reviewed the new "token" program that will be used this year for credit/debit card and Oregon Trail card Farmer's Market transactions, noting that it will cut back on staff time. In response to Committee discussion, Higgins noted that when the Farmer's Market began, the City was only supposed to help initially and not run the program permanently.

(3) City Planner Rainmar Bartl: Planning

Bartl reviewed Planning and Planning related budget notes, including, Little Pompey Wetland Restoration Project, Ecola Creek Forest Reserve Management Plan, Elk Flats Restoration Project, GIS System, Implementation of the Ecola Creek Forest Reserve Management Plan action items, and Sustainability. Bartl reviewed Objectives for FY 2012-13 including Little Pompey Wetland Restoration Project, Ecola Creek Forest Reserve Management Plan, GIS, Implementation of the Ecola Creek Forest Reserve Management Plan, and Sustainability. In response to a question from Giasson, Bartl noted that the \$1,000 line item for Sustainability Expenses are for consulting, if necessary.

(4) Haystack Rock Awareness Program (HRAP) Coordinator Nala Cardillo

Cardillo reviewed the General Fund - HRAP. Sinclair noted the increase in personal services salaries and wages reflects the CPI increase for the coordinator position and includes the 1,000 hour intern position. Cardillo expressed her gratitude to the Budget Committee for adding the intern line item. In response to a question from Clyde, Cardillo noted that the increase in office supplies was for a \$230 advertisement for

the intern position in November 2011 and was placed under this line item. Cardillo noted that \$1,700 to repair the HRAP trailer is not reflected under materials and services. The Committee discussed volunteers needed for the program, Higgins suggesting that Seaside High School students be approached to volunteer for their Pacifica Projects. Cardillo reviewed total number of visitors and school groups.

(5) Interim Police Chief Ron Onchi: Public Safety

Mays reviewed General Fund - Police. Mays noted that salaries and wages are down due to two new police officers replacing officers at a higher pay rate. In response to a question from Bertellotti, Mays noted that the number of officers reflects the level of service needed to support the full time population and visitors. Onchi noted that a new quad ATV is needed this fiscal year. In response to a question from Giasson, Mays noted that the lifeguards are not under the union contract.

May reviewed 911 Services.

Mays reviewed Emergency Preparedness, noting an extension of Consultant Bill Vanderberg's contract. Mays noted \$30,000 for Container Site Prep. He also noted that the initial site will be reviewed at the May 24, 2012 Planning Commission meeting. In response to Committee discussion regarding the Container Program, Steidel noted that 45 people are currently signed up to participate in the program. In response to a question from Clyde regarding an increase in Emergency Prep & Safety, Sinclair noted that this is possibly due to the increase of evacuation mapping. Mays noted that if the KMUN repeater is approved, it will be added as a \$12,000 new line time under capital outlay. The Committee discussed the repeater.

(6) Public Works Director Mark See: Parks, Parking, Litter & Restrooms

Mays reviewed the General Fund - Parking. In response to a question from Bertellotti, Sinclair reviewed labor allocations for this fund.

Mays reviewed the General Fund - Public Restrooms, Litter.

Mays reviewed the General Fund - Building Maintenance. Mays noted Facility Improvements for City Hall. Mays noted that a portion of Mark Brien's salary is located in this budget, along with public works employees Trevor Mount and Mike Brown.

Morgan noted concerns with the Parks budget being underfunded. Schwab-Harris noted concerns with landscaping in City parks.

INFORMATIONAL ITEMS

(7) Good of the Order

Sinclair noted that the next Budget Committee meeting will be held on May 24, 2012 at 5:30 p.m. at Haystack Gardens.

ADJOURNMENT

Clyde adjourned the meeting at 8:37 p.m.

ATTEST:

Alisha Smith, Administrative Specialist

Sharon Clyde, Chair