Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Wednesday, May 21, 2014

Council Chambers

Present: **Budget Committee Members:**
Phyllis Bernt
Richard Bertellotti
Sharon Clyde
Don Royse
Marty Schwab-Harris

Mike Benefield, Councilor
Melissa Cadwallader, Councilor
Wendy Higgins, Councilor
George Vetter, Councilor

Staff:
Rich Mays, City Manager
Kris Peterson, Finance Director [*Joined meeting @ 5:38pm*]
Jean Rice, Finance Office Manager
Wanna Ryon, Accounting Administrative Assistant
Mark Barnes, Planning Director
Dan Grassick, Public Works Director
Jason Schermerhorn, Chief of Police

Absent: Mike Morgan - Mayor [*Pre-arranged*]

CALL TO ORDER

Vice chair Richard Bertellotti called the meeting to order at 5:30 p.m.

(1) Elect a Chair & Vice-Chair

Motion: moved to elect Richard Bertellotti for Budget Committee Chair.
seconded the motion.

Vote: voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

Motion: moved to elect Don Royse for Budget Committee Vice-Chair.
seconded the motion.

Vote: voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

(2) Approval of the Minutes of the Budget Committee Meeting of May 23, 2013.

Motion: moved to approve the Budget Committee minutes as amended;
seconded the motion.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

(3) Overview

Mays introduced Kris Peterson as the City's new contracted Finance Director from NOW CFO.

Mays introduced budget schedule: Wednesday, May 28th, Monday June 2nd, and Wednesday June 4th if needed. Tuesday, June 17th to pass the budget.

Mays introduced Cannon Beach Chamber of Commerce Justification for Additional Funding May, 2014.

Mays introduced Cannon Beach Children's Center Annual Report May, 2014.

Mays introduced Supplemental Labor Allocation Table.

Mays introduced the city's request to the Cannon Beach Rural Fire Protection District.

Mays introduced FY2014-15 Compensation Plans.

(4) Budget Message

Mays spoke about the Budget Message; describing financial polices and assumptions for the coming fiscal (budget) year.

(5) Charts, Tables, and Graphics

Mays asked all members to open their Budget Binders, sections 1 and 2.

In response to a question from Cadwallader - City Attorney, Judge, City Prosecutor, HRAP Volunteer Coordinator will be added to Organizational Chart.

Mays recommended that the council consider conducting a Salary Study.

(6) General Fund Revenues

Mays instructed all to turn to section 3. Refer to City of Cannon Beach 014-2015 Proposed Budget.

Discussion: Will the sale of Marijuana generate revenues and/or expenses? The answer is un-known at this time. If the sale of Marijuana should become legal and any revenues and/or expenses might be generated, an amendment would be added to the budget accordingly.

Discussion: How are HRAP and Farmers Market donations generated? Credit Card fees are a Farmers Market market expense.

INFORMATIONAL ITEMS

(7) Good of the Order

Discussion: When would be the best meeting to take public comments? Councilors preferred taking comments at the second meeting allowing them time to consider the comments before making any final discussions at the third meeting. Posted agenda for Wednesday May 28th, 2014 on the morning of May 22, 2014 will be done with time allotted for public comments.

ADJOURNMENT

Bertellotti adjourned the meeting at 7:20 p.m.

ATTEST:

R. L. Bertellotti

Richard Bertellotti, Chair

Wanna Ryon

Wanna Ryon, Accounting Admin Assistant

Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Monday, May 23, 2013
Council Chambers

Present: Budget Committee Members: Chair Herb Florer, Vice-Chair Richard Bertellotti, Don Royse, Marty Schwab-Harris, Sally Stevens, Council President Sam Steidel, Councilors; Nancy Giasson, Wendy Higgins, Melissa Cadwallader, Mayor Mike Morgan

Staff: City Manager Rich Mays, Finance Director Renee Sinclair, Chief Schermerhorn, Mark Brien, Cruz Flores, Accounting Clerk Jean White

CALL TO ORDER

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

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

Vote: voted AYE; the vote was 10/0 in favor and the motion passed unanimously.

(1) Approval of the Minutes of the Budget Committee Meeting of May 21, 2013.

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

Vote: Voted AYE; the vote was 10/0 in favor and the motion passed unanimously.

(2) Summary of Changes to Date
In response to a question from Morgan about Shuttle Subsidy, Mays stated the decrease is because of the difference in the expense. Mays spoke with Jay Flint about the extended time to run the shuttle.

In response to a question from Schwab-Harris about RV Park Overhead, Sinclair stated after reviewing the report of the RV breakdown of expenses it was decided by staff to lower the amount.

(3) Building Official Fund Budget
In response to a question from Schwab-Harris about Mechanical and Plumbing, Sinclair stated that instead of 3 separate accounts (mechanical, plumbing and building), everything goes under building permit.

In response to a question from Morgan about the increase being low, Sinclair stated Mark Brien's estimates for next year is very conservative.

(4) Repair and Replacement Reserve Funds Budget
In response to a question from Bertellotti about the Ecola Bridge Fund having a reserve fund, Mays stated the conversation that happened last year at the Budget meeting about developing the fund wasn't approved.

There was discussion about what happened in the Budget meeting last year concerning a reserve for the bridge. Most people remember talking about adding a fund, but there were other items that needed more attention.

In response to a question from Bertellotti about adding money to the Road R&R Reserve Fund, Sinclair stated if we add the money to this specific fund it can be used for any road repairs or replacement. If the Committee wants to have a fund specific for the bridges it would need it's own fund.

In response to a question from Stevens about the bridge just needing to be earthquake safe, Mays stated the bridge also has normal wear and tear.

There was more discussion about how to budget for the bridge. One idea is to have a fund called Bridge R & R Fund and to transfer $100,000 out of the Road R & R Reserve Fund.

When the North Entrance payment has expired the payments would be transferred into the Bridges R & R Fund.

Motion: Bertellotti moved to have a new fund added for Bridges R & R Fund specifically 101 and Fir St Bridges, beginning funding from Road R & R Reserve Fund of $100,000. After the North Entrance payment has expired that money will be moved the Bridges R & R Fund, Giasson seconded.

Vote: Voted AYE; the vote was 10/0 in favor and the motion passed unanimously.

All other Funds listed were discussed.

In response to a question from Higgins about a new building for City Hall, Mays stated if certain legislation passed we can use the 55 acres. There was discussion on how to budget for it, and it was decided it could be a future budget item.

(5) Administrative Services Fund Budget
In response to a question from Schwab-Harris about the percentage amounts that get transferred to the Administrative Services Fund, Sinclair stated 95% of this fund is the City wide operating budget. The Central Services had an increase in insurance premiums so the budget line has a higher percentage rate.

In response to a question from Stevens about PERS, Sinclair stated the City had staff changes mid-year which affected the amount.

In response to a question from Stevens about affordable housing, Mays stated our City Attorney is willing to be paid 1/2 her hourly salary to help get a program started.

In response to a questions from Bertellotti about where to add that amount, Sinclair stated it would be under City Attorney in the Executive Admin Services Fund. We will add $5000 to City Attorney for Affordable Housing.

In response to a question from Schwab-Harris about the Miscellaneous Management Cost expenses, Sinclair stated it is a fund that is used for a lot different items that aren't a common every year expense.

Finance:
In response to a question from Bertellotti about the auditors and RV Park, Sinclair stated the auditors spend a day at the RV Park making sure everything is proper.

Central Services:
In response to a question from Schwab-Harris about the salary going down, Sinclair stated her hours are going down to 9/10 and part of that is from this fund.

In response to a question from Giasson about expenses going up, Sinclair explained the breakdown of what happened this year in the different categories, was mostly due from computer services and electricity.

In response to a question from Stevens about umbrella coverage of insurance, Sinclair stated the amount is what the CIS agent thinks is appropriate.

In response to a question from Stevens about adding more insurance, Sinclair stated we can get more insurance from other places.

In response to a question from Royse about cost of raising the deductible, Sinclair stated we have a deductible of a $1000.00 for property damage. Also, if we don't call CIS with questions about personnel and there is a claim we have a $5000.00 deductible. Sinclair stated the deductible is a standard across the pool and will check into that.

In response to a question from Higgins about leasing computers and phones, Sinclair stated the cost of the lease was a better way for the City than buying them. When the lease for the Apple computers is up, they will replace them with new computers and then continue with a new lease.

In response to a question from Morgan about the bill, Cruz stated they spent time on the gravel streets and Royse stated there was work done at the Tolovana Wayside Beach entrance.

Florer left the meeting at 6:58 pm.

Bertellotti re-approached paving of streets and there was discussion on where the funds could be transferred from. The transfer of $40,000.00 out of Road R & R, which would leave that fund total at $100,000.00 and would bring the paving total to $90,000.00.

Motion: Morgan moved we transfer the $40,000.00 out of Road R & R Reserve Fund to Pavement Fund, Cadwallader seconded.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

(6) Motions to approve & certify tax levies

Motion: Schwab-Harris moved that the City of Cannon Beach Budget Committee approve taxes for the 2013-2014 fiscal year at the rate of 0.7049 per $1,000 assessed value for operating purposes, and in the amount of $333,000.00 for payment of bond principal and interest; Royse seconded the motion.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passes unanimously.

Motion: Schwab-Harris moved that the City of Cannon Beach Road District Budget Committee approve taxes for the 2013-2014 fiscal year at the rate of 0.2590 per $1,000 assessed value for operating purposes; Royse seconded the motion.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passes unanimously.

(7) Motion to Approve the Budget

Motion: Schwab-Harris moved to approve the budget as amended with changes given today. Royse seconded the motion.

Vote: Voted AYE; the vote was 8/0 in favor and the motion passes unanimously.

INFORMATIONAL ITEMS

(8) Good of the Order

ADJOURNMENT

Bertellotti adjourned the meeting at 7:32 p.m.

ATTEST:

R. L. Bertellotti

Richard Bertellotti, Vice -Chair

Jean White

Jean White, Accounting Clerk

Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Wednesday, May 28, 2014
Council Chambers

Present: **Budget Committee Members:**
Phyllis Bernt
Richard Bertellotti
Sharon Clyde
Don Royse
Marty Schwab-Harris

Mike Benefield, *Councilor*
Melissa Cadwallader, *Councilor*
Wendy Higgins, *Councilor*
Mike Morgan, *Mayor*
George Vetter, *Councilor*

Staff:
Rich Mays, *City Manager*
Kris Peterson, *Finance Director*
Jean Rice, *Finance Office Manager*
Wanna Ryon, *Accounting Administrative Assistant*
Jason Schermerhorn, *Chief of Police*
Mark Barnes, *City Planner*
Dan Grassick, *Public Works Director*
Cruz Flores, *Public Works Foreman*
Samantha Ferber, *HRAP Coordinator*
Philomena Lloyd, *Farmers Market Manager*

CALL TO ORDER

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

(1) Approval of the Minutes of the Budget Committee Meeting of May 21, 2014.

Motion: Richard Bertellotti moved to approve the Budget Committee minutes as amended; with one correction. The motion was seconded.

Vote: Voted AYE; the vote was 10/0 in favor and the motion passed unanimously.

DISCUSSION ITEMS

(2) Follow-up on item's from May 21, 2014 meeting

Mr. Mays introduced an up-dated City of Cannon Beach 2014 -2015 Organizational Chart which include:
Ron Woltjer, *City Judge*
Stacy Rodiguez, *City Prosecutor*
Tamara Herdener, *City Attorney*
Alix Lee, *HRAP Volunteer*
Building Official - *Contracted*
Kris Peterson, *Finance Director*

City Manager - *Vacant*
Administrative Specialist - *Vacant*

Mr. Mays introduced an up-dated City of Cannon Beach 2014-2015 Labor Allocation by Department work sheet. Minor corrections were applied.

Mr. Mays introduced the City Council's 2014 Goals & objectives.

Mr. Mays introduced packet document "Proposal for Micro Plastic Removal".

(3) Public Comment

Mr. Bertellotti opened the floor to public comment. Mr. Ed Johnson encouraged the committee to fund Mr. Marc Ward's Micro Plastic removal project.

(4) General Fund Expenditures

Mr. Mays asked all members to open their Budget Binders to the following:

Tab #4 Non-Departmental - *Proposed Budget Presented & Reviewed*

Tab #6 Community Programs - *Proposed Budget Presented & Reviewed*

Discussion(s): Schwab-Harris asked why a request was not formally submitted for the Children's Center Subsidy? Answer: Barb Knop stated that Children's Center did not submit a request because they are a "line item".

Schwab-Harris asked to see a budget that reflected [12-13 actual] & [13-14 actual] & [14-15 proposed] columns on the Children's Center budget balance sheet. Barb Knop will submit the Children's Center budget balance sheet for the next budget meeting with the requested information .

Tolovana Club Maintenance will be moved from Community Programs to Building Maintenance. Bulk of the funds in this line item are slated for a kitchen remodel.

George Vetter, *Councilor* abstained from discussion/decisions concerning the funding of the Cannon Beach Chamber of Commerce / Information Center.

Major Capital improvements of the Cannon Beach Chamber of Commerce / Information Center building are required. Need for storage, web site hosting increases in visitor center hours, in postage and utility rates.

Schwab-Harris asked Mr.Mays if after hearing testimony regarding Cannon Beach Chamber of Commerce / Information Center reason(s) for requesting extra funds, would he have modified that current budget request accordingly? Mr. Mays stated that yes, they would have been factored in.

Motion: Richard Bertellotti moved to approve the Cannon Beach Chamber of Commerce / Information Center funding. The motion was seconded.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passed unanimously. George Vetter, *Councilor* abstained.

Decision: The amount paid to the Cannon Beach Chamber of Commerce will be increased by $9,843.00 to $125,386.00.

Noted: The incoming City Manager should review each of the Chamber Budget line items to establish a new funding base for the Cannon Beach Chamber of Commerce / Information Center to include the items that were presented at the meeting.

Mr. Marc W. Ward and Sea Turtles Forever introduced "Proposal for Micro Plastic Removal" Project. All funds are allocated to filter micro plastic form Cannon Beach, to a depth of approximately 5 centimeters.

Decision: Still under consideration

Tab #7 HRAP - *Proposed Budget Presented & Reviewed*

Decision: The GENERAL FUND REVENUES - will be increased by $12,750.00 to account for a grant to purchase a new truck for the HRAP program.

Tab #8 Farmers Market - *Proposed Budget Presented & Reviewed*

Tab #9 Municipal Court - *Proposed Budget Presented & Reviewed*

Tab #10 Planning - *Proposed Budget Presented & Reviewed*

Tab #11 ECOLA Park Reserve - *Proposed Budget Presented & Reviewed*

Discussion: Should we reallocate $5,000.00 from Swigart Culvert project to West Fork Bridge Study?

Decision: Still under consideration

Tab #15 Police Dept. - *Proposed Budget Presented & Reviewed*

Discussion: Require $25,000.00 start-up to invest in a K9. Actual start-up depends on donations. Media promotions are in place at this time

Request funds for a new multi-purpose vehicle (Life Saving, Administrative, etc.)

Decision: Overtime will be reduced from $30,000.00 to $23,000.00

Tab # 16 Life Saving - *Proposed Budget Presented & Reviewed*

Tab # 17 911 Services - *Proposed Budget Presented & Reviewed*

Tab #18 EPREP - *Proposed Budget Presented & Reviewed*

Discussion: Should we include $15,000.00 in the budget for a consultant or part-time employee?

Decision: Still under Consideration.

Discussion: Additional lighting, generators required for container sites. Investment in a KMUN translator was discussion.

Emergency water tank, propane tank pads will be put in place.

Tab #5 Building Maintenance - *Proposed Budget Presented & Reviewed*

Noted: $11,000.00 of improvements to Tolovana Hall will be moved to this budget from Community Programs.

Discussion: There is a proposal to refurbish the refurbish City Hall kitchen. Build an out-building for the generator. Install OSHA required safety elements (lighted exit lights, safety exit doors etc.)

Tab #12 Parks - *Proposed Budget Presented & Reviewed*

Discussion: Should we budget for an additional public works employee at a total coast of $61,457?

Decision: Still under consideration.

Discussion: Should we keep $25,000.00 in the budget for trail development along the Grower Street ROW from Elm to Spruce?

Decision: Still under Consideration.

Tab #13 Parking - *Proposed Budget Presented & Reviewed*

Tab #14 Public Restroom & Litter - *Proposed Budget Presented & Reviewed*

Tab #19 Contingencies & Transfers - *Proposed Budget Presented & Reviewed*

Discussion: Should we transfer approximately $326,000.00 from the General Fund to the General Reserve Fund at either the beginning or the end of the fiscal year?

Decision: Still under consideration.

Discussion: George Vetter, *Councilor* ask the committee to consider creating a fund for the purpose of buring lines underground.

Decision: Still under consideration.

(5) Roads Fund Budget

Tab #28 Roads - *Proposed Budget Presented & Reviewed*

(6) Debt Service Fund Budget

Tab #27 Debt Service Fund - *Proposed Budget Presented & Reviewed*

(7) Tourism and Arts Budget

Tab #20 Tourism and Arts Fund - *Proposed Budget Presented & Reviewed*

INFORMATIONAL ITEMS

(8) Good of the Order

Public Comment: none

ADJOURNMENT

Richard Bertellotti adjourned the meeting at 9:35 p.m.

ATTEST:

Richard Bertellotti, Chair

Wanna Ryon, Accounting Admin Assistant

Minutes of the
CITY OF CANNON BEACH
BUDGET COMMITTEE
Monday, June 2, 2014
Council Chambers

Present: **Budget Committee Members:**
Phyllis Bernt
Sharon Clyde
Don Royse
Marty Schwab-Harris

Mike Benefield, *Councilor*
Melissa Cadwallader, *Councilor*
Wendy Higgins, *Councilor*
Mike Morgan, *Mayor*
George Vetter, *Councilor*

Staff:
Rich Mays, *City Manager*
Kris Peterson, *Finance Director*
Jean Rice, *Finance Office Manager*
Wanna Ryon, *Accounting Administrative Assistant*
Dan Grassick, *Public Works Director*

Absent: Richard Bertellotti [*Pre-arranged*]

CALL TO ORDER

Vice Chair Don Royse called the meeting to order at 5:30 p.m.

(1) Approval of the Minutes of the Budget Committee Meeting of May 28, 2014.

Motion: Don Royse moved to approve the Budget Committee Minutes with one correction. The motion was seconded.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

DISCUSSION ITEMS

(2) Follow-up on item's from May 28, 2014 meeting

Mays reviewed the packet containing the following:

City of Cannon Beach Budget Committee Minutes
Email containing decisions already reached / still under consideration with reply from Richard Bertellotti.
Letter from Molly Edison; Cannon Beach Food Pantry Statement of Financial Income and Expense.
Cannon Beach Preschool & Children's Center Budget Overview.
New Item: Cannon Beach Garden Club - Tolovana Hall Landscaping Project request.

(3) Cannon Beach Food Pantry Request

Discussion(s): The Cannon Beach Food Pantry's lease has expired. The Cannon Beach Food Pantry will need to find a new location effective January, 2015.

Possible location would be to place a portable building in the police parking lot.

Decision: Defer to Cannon Beach City Council for further review.

(4) Children's Center Budget

Discussion(s): Cannon Beach Preschool & Children's Center Budget was *Presented and Reviewed.*

Motion: Don Royse moved to approve the Cannon Beach Preschool & Children's Center allotment of $62,277.00. The motion was seconded.

Vote: Voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

(5) Cannon Beach Garden Club Request

Discussion(s): Tolovana Hall Landscaping Project - Cannon Beach Garden Club request for $10,000.00 was *Presented and Reviewed.*

Motion: Don Royse moved to approve the $10,000.00 for the Garden Club's landscaping project at the Tolovana Hall. The motion was seconded.

Vote: Voted AYE; the vote was 8/0 in favor the motion passed. 1/0 abstention by Schwab-Harris

(6) Building Fund

Mays asked all members to open their Budget Binders to the following:

Tab #21 - Building Department Fund - *Presented and Reviewed*

(7) Enterprise Funds

Mays asked all members to open their Budget Binders to the following:

Tab #22 - RV Park Enterprise Fund - *Presented and Reviewed*

Tab #23 - Recycling Enterprise Fund - *Presented and Reviewed*

Tab #24 - Water Enterprise Fund - *Presented and Reviewed*

Tab #25 Wastewater Enterprise Fund - *Presented and Reviewed*

Tab #26 Storm Drain Enterprise Fund - *Presented and Reviewed*

DINNER BREAK

(8) Repair and Replacement Reserve Funds

Mays asked all members to open their Budget Binders to the following:

Tab #29 - Repair and Replacement Reserve Fund - *Presented and Reviewed*

(9) Administrative Service

Mays asked all members to open their Budget Binders to the following:

Tab #30 - Administrative Services Fund - *Presented and Reviewed*

(10) Summary and Recap

Discussion(s): Q: Cadwallader asked if the Salary study will be done should the job description(s) be reviewed and up-dated as well?

A: Mays explained that with the recent hiring of new employee(s) most of the job description(s) have recently been up-dated.

Q: Vetter would like to see a placeholder placed in the budget for the burying of the utility lines.

A: Benefield suggested that the burying of the utility lines project should be deferred to the Cannon Beach Council members for further study. Grassick received a request from the budget committee to gather further information from the appropriate Utilities.

Decision: Sea Turtle - Micro Plastic should not be funded at this time.

Decisions already made:

1. $12,750.00 will be added to Revenues to accommodate a grant for the new HRAP truck.

2. $5,000.00 will be cut from the Ecola Reserve due to elimination of the Swigart Culver/ West Fork Bridge. [*Note: Cadwallader recommended that the title be changed to a more generic title?*]. [*Note: A motion was held to delete from the budget - vote: to be Deleted*]

3. $25,000.00 will be cut from Parks due to elimination of the Gower Street ROW trail.

4. $7,000.00 will be cut from the Police Department to effect a reduction in Overtime.

5. $10,000.00 will be added to Revenues in the Road Fund budget by increasing Property Tax Revenue.

6. $5,000.00 will be added to Building Maintenance for Garden Club Tolovana Hall Project. [*Note: this is a reduction from the $10,000.00 request*].

7. $9,843.00 will be added to the Community Programs budge for additional funds to the Chamber of Commerce/Information Center.

8. $9,233.00 will be added to the Planning budget to add additional four hours per week for the City Planner.

9. $15,000.00 will be added to the Emergency Preparedness budget to accommodate and E-Prep Coordinator.

10. $46,708.00 will be added to the General and Roads Fund for a new Utility Worker.

Decision: All members will meet again on June 4, 2014 for final review and decisions.

INFORMATIONAL ITEMS

(11) Good of the Order

Public Comment: none

ADJOURNMENT

Don Royse adjourned the meeting at 8:48 p.m.

ATTEST:

Don Royse, Vice Chair

Wanna Ryon, Accounting Admin Assistant