



BUDGET COMMITTEE MEETING MINUTES ~ APPROVED

WEDNESDAY, MARCH 13, 2024 AT 6:00 P.M.

City Hall ~ 82877 Spruce St., Westlake, OR 97493

The proceedings of the Dunes City Budget Committee are recorded and on file at Dunes City Hall. Upon approval by the Budget Committee, these minutes will be available online at: www.dunescityhall.com.

1. CALL TO ORDER

Mayor Ed McGuire called the Budget Committee's March 13, 2024 Meeting to order at 6:05 pm.

2. ROLL CALL

City Administrator Jamie Mills called the Roll.

Present: Mayor Ed McGuire, Councilor Chris Clemons, Councilor Joe Giammona, Councilor Susan Snow, Commissioner Gail Nichols and Richard Snow.

Absent and Excused: Councilor Tom Mallen, Councilor Melissa Stinson, Councilor Rich Olson, Tina Nelson and Ted Vanderwoude

Also Present: City Administrator/Recorder Jamie Mills, Planning Secretary Lila Timmons and various residents.

3. PLEDGE OF ALLEGIANCE

All who wished to participate stood for the Pledge of Allegiance.

4. APPROVAL OF THE AGENDA

Mayor Ed McGuire asked if there were any additions or changes to be made to the Agenda. Commissioner Gail Nichols made a motion to approve the Agenda. Richard Snow seconded the motion. The motion passed unanimously.

5. MINUTES OF THE OCTOBER 11, 2023 BUDGET COMMITTEE MEETING

Commissioner Gail Nichols stated that her last name was incorrect in the minutes. Mayor Ed McGuire asked if there were any other corrections. Seeing none, Mayor Ed McGuire made a motion to approve the minutes of the October 11, 2023 budget committee meeting minutes with the correction. Councilor Susan Snow seconded the motion. The motion passed unanimously.

6. PRESENTATION OF THE BUDGET MESSAGE

City Administrator Jamie Mills asked if she needed to read the budget message since all committee members were emailed the information.

Mayor Ed McGuire asked the committee if anyone would like the message to be read aloud or if they have had the opportunity to read the message themselves.

The Budget Committee decided to not read the Budget Message aloud but went to the document.

Mayor Ed McGuire asked if there were any questions on the first page. There were none.

Mayor Ed McGuire asked if there were any questions on the second page. Mayor Ed McGuire asked if the Planning Tech's salary should be half from the General Fund and half from the Building Fund instead of 100% from the General Fund. City Administrator Jamie Mills replied that the Planning Tech had to do with Land Use Codes and should be out of the General Fund. Mayor Ed McGuire asked if the Planning Tech had any permit review requirements in the position. City Administrator Jamie Mills stated that only sometimes the Planning Tech would be involved with permit review.

Mayor Ed McGuire stated that he had questions regarding the General Fund on page 3.

Mayor Ed McGuire and City Administrator Jamie Mills clarified the reasons for the \$30,000 debt in the water fund.

Mayor Ed McGuire discussed the last paragraph about short-term rentals being affected by the work the Council is doing.

Mayor McGuire asked a question about the second paragraph of the State Street Fund on page 4. He asked if that paragraph is correct. City Administrator Jamie Mills stated that it was correct.

Mayor Ed McGuire asked if there were any questions on page 5. Mayor Ed McGuire stated that there was speculation regarding what is to be spent. He asked whether we should develop a 5-year plan and/or look for a grant?

7. PRESENTATION OF THE FY 2024-2025 PROPOSED BUDGET

8. DISCUSSION, COMMENTS AND QUESTIONS FROM THE COMMITTEE

City Administrator Jamie Mills stated that the Resources of the General Fund would start the discussion. City Administrator Jamie Mills also stated that she added another column which indicates the year-to-date numbers.

Councilor Susan Snow noticed that the taxes received from the state are going down. City Administrator confirmed that those taxes are going down.

City Administrator Jamie Mills stated that she noticed that the PUD Franchise fee has gone down and wondered why.

Councilor Susan Snow asked about the liquor tax having a significant change. City Administrator Jamie Mills explained that was due to the marijuana tax being taken out of that. Richard Snow asked about the reduction in the telephone tax. City Administrator Jamie Mills stated that it had to do with a lawsuit.

Mayor Ed McGuire asked if there were any other questions on page 1.

Councilor Joe Giammona discussed the Short-Term Rental proposed budget might be too low since the Council has not decided on the Short-Term Rental fees.

Mayor Ed McGuire asked if there were any questions on page 2. Mayor Ed McGuire asked if page 2 was all expenses. City Administrator Jamie Mills confirmed that page 2 was expenses and that the Administrative Services would increase a little bit due to a raise for the new Planning Secretary once the probationary period is over. Councilor Joe Giammona asked if the staff signed contracts that state the increase. City Administrator Jamie Mills stated that the staff does not sign a contract but the increase is necessary to keep employees.

Richard Snow asked about the Codification Line 12. City Administrator Jamie Mills explained the meaning of Codification. City Administrator Jamie Mills stated that it was suggested that the cost of Codification should be spread over 3 years.

Mayor Ed McGuire asked what changed the insurance line so drastically. City Administrator Jamie Mills explained that the Workman's Comp provider changed. Both Mayor Ed McGuire and Councilor Joe Giammona felt that the 2021-2022 number was still incorrect and should be verified. City Administrator Jamie Mills explained that the premium had been paid twice in one year.

Mayor Ed McGuire asked about Line 28 of the proposed budget in regards to the website cost of \$10,000. City Administrator Jamie Mills explained that she had received a quote to update the website. But now a volunteer has also come forward. City Administrator Jamie Mills also explained that the only Dunes City domain name available is a .gov. Mayor Ed McGuire felt that the .gov domain name is appropriate.

Councilor Susan Snow asked about the Travel and Training line being enough to cover costs. City Administrator Jamie Mills explained that the state has indicated that for small cities without a tax base, the state would pay for training.

Councilor Joe Giammona asked about the \$5210 for Video Programming of the meetings. City Administrator Jamie Mills stated that it is \$390/meeting. Councilor Joe Giammona asked if the City has a contract for the video programming. City Administrator Jamie Mills stated yes, the City has a contract for the video programming. Councilor Joe Giammona asked about the duration of the contract. City Administrator Jamie Mills stated she believed a new contract was signed every year. Mayor Ed McGuire stated that the City could do the programming pretty easily. City Administrator Jamie Mills stated she would check on the state requirements for storage.

Mayor Ed McGuire asked if there were any other questions on page 2.

Councilor Joe Giammona asked about the Custodial line on the proposed budget. City Administrator Jamie Mills explained that there is no one currently doing the custodial work at the City Hall and is still looking for someone to do that.

Mayor Ed McGuire asked if there were any questions on page 3.

Richard Snow stated that he had a question on line 30 and asked if that number was correct. The committee figured out that the number was missing \$2500 from the Total Capital Outlay and then should read \$152,810.

Councilor Joe Giammona asked what is considered a General Operating Contingency. Mayor Ed McGuire gave some examples.

Mayor Ed McGuire asked if there were any questions on page 4.

City Administrator Jamie Mills stated that the Building Codes Fund is not allowed to make money and should be \$0 at the end of the year. Mayor Ed McGuire asked if it necessarily needed to be \$0 and felt there should be carryover for permit fees. City Administrator stated that the City did not work that way. Mayor Ed McGuire asked if no funds carried over until

another year. City Administrator Jamie Mills stated that the funds from the permits are collected up front and that inspection fees are paid as they come up.

Councilor Joe Giammona asked about the Cash on Hand. City Administrator Jamie Mills stated that the cash on hand was lessened due to fees being paid for reports that were due to state.

Mayor Ed McGuire asked if the Building Surcharge Fees was speculative since we have no idea who will be pulling permits. City Administrator Jamie Mills stated that she does take into consideration if future subdivisions are eminent.

Mayor Ed McGuire asked if there were any other questions for page 4.

City Administrator Jamie Mills stated that the School Tax on line 27 on page 3 is what is collected and then on the next page indicates how much is sent into the school district. Dunes City keeps 4% of the School Tax collected.

On page 5, City Administrator Jamie Mills stated that the Building Fund is the only fund that pays for only one employee. She further stated that the auditor questions whether or not this fund should also have utility, office supplies, etc. expensed.

Richard Snow asked why the State Surcharge was so much. City Administrator Jamie Mills explained that it is a percentage of the permits issued and she thinks that she has an extra number in there.

Mayor Ed McGuire asked about line 2 and then figured it was correct.

Councilor Joe Giammona asked about the Audit line. City Administrator Jamie Mills stated that this was a new mandate from the State and that the last quote received was for \$5,000.

Mayor Ed McGuire moved on to page 6 which is the gas tax. City Administrator Jamie Mills stated that this number is going down. Councilor Chris Clemons stated that other states are raising the price of vehicle registrations to combat the loss of gas taxes.

Mayor Ed McGuire asked if there were any more questions.

Mayor Ed McGuire asked if there were any questions regarding page 7.

Mayor Ed McGuire asked about the audit line on the Street Fund. City Administrator Jamie Mills stated that it was a breakdown of the complete audit cost divided by the funds.

Mayor Ed McGuire asked if the Footpaths & Bike Trails line was about a grant. City Administrator Jamie Mills confirmed that it was for a potential grant.

Mayor Ed McGuire asked about Line 12, Eng/Contract Services. City Administrator Jamie Mills stated that it was paid out of a different fund. The engineering was for Fern Acres. The \$30,000 is needed for the proposed project.

Councilor Joe Giammona asked about the Equipment Repair & Maintenance line. Richard Snow and City Administrator Jamie Mills stated that we had a cherry picker and a police car. The budget committee discussed the police car and that we are trying to get rid of the car.

Councilor Joe Giammona asked about line 22, Street Maintenance. City Administrator said that every few years she tries for the Small Cities Allotment Grant.

Councilor Joe Giammona asked about the \$16000 expense in January and was it included in the budget. City Administrator Jamie Mills stated that it was not in the budget.

Councilor Susan Snow asked if the City was charging the logging trucks that are tearing up the road on Maple. City Administrator Jamie Mills stated that the trucks are not being charged.

City Administrator Jamie Mills wondered if the road needed a culvert underneath to distribute the water that was causing the issues.

Mayor Ed McGuire asked if the City Administrator had billed the Community Center repairs to the Building Repair & Maintenance. City Administrator Jamie Mills stated that those expenses were paid for from the General Fund.

Mayor Ed McGuire asked about line 7 on page 8. The number seemed low. City Administrator Jamie Mills stated that the City is paid quarterly but that the state was probably behind because they changed how the tax was collected. Ed McGuire stated that the Council would need to talk about maxing out the room tax at the next work session. Mayor Ed McGuire stated that the City needs to check what the rate is. Mayor Ed McGuire asked if there were any other questions on page 8.

Mayor Ed McGuire stated that the Motel Fund can be used for marketing, tourism, recreation related. It is restricted but pretty broad. It would include a trail used for recreation. Richard Snow asked about line 18, County Tourism/RTMP. City Administrator Jamie Mills stated that the City usually gets \$16,000/year. But there is a specific number on that line, and needs to be verified.

Richard Snow asked if the fund can be used for the portage maintenance. Mayor Ed McGuire asked if security would be eligible costs.

Richard Snow asked if the dam maintenance, etc. would be an eligible cost.

Councilor Joe Giammona asked about line 17, Signs/Brochures/Newsletter. Mayor Ed McGuire asked about the plans for the new Dunes City sign. City Administrator Jamie Mills stated that she is still looking for someone to create the sign.

Councilor Joe Giammona asked about line 21, Website, ISP Service; Software/Apps. City Administrator Jamie Mills explained that was for a new updated site. Mayor Ed McGuire stated that he thought we should focus on our own items to put on the website. Chris Clemons stated that we should put information on the website about what Dunes City provides to its residents in activities as well.

Mayor Ed McGuire asked if the committee was ready to move on to page 10.

Councilor Joe Giammona asked about the negative cash on hand in the Water Rights Enterprise Fund. City Administrator Jamie Mills stated that it was talked about in the Budget Message and addressed on the last page.

Councilor Joe Giammona asked about the funds transferred in. City Administrator Jamie Mills explained that the \$20,000 came from the General Fund.

Mayor Ed McGuire stated that the last page has some options to help the Water Fund pay for itself.

Mayor Ed McGuire asked if there were any more questions on page 10.

Mayor Ed McGuire asked about line 21, Weir Repair. City Administrator Jamie Mills stated that is it was for the outlet control structure on Woahink and that it is leaking.

Mayor Ed McGuire went on to the page, "Options For Resolving Water Fund Shortfalls". Mayor Ed McGuire asked if the 210 Users were 210 pumps or diversion points. City Administrator Jamie Mills confirmed that it was 210 pumps but serves 444 Places of Use (POU).

Richard Snow stated he felt that we should charge based on place of use and not diversion point. Joe Giammona agreed.

Richard Snow stated that Option 3 had already been decided by the Budget Committee last year. Mayor Ed McGuire tried to determine if it had been accepted by the City Council. Mayor Ed McGuire asked if all water users have meters. City Administrator Jamie Mills confirmed that all water users have meters.

Councilor Joe Giammona suggested that Option 4 would help with the complaints on Short-Term Rentals for using Dunes City resources.

Richard Snow asked what was the average use for POU.

Mayor Ed McGuire stated that Option 4 would be a drastic change for Dunes City residents.

Mayor Ed McGuire stated that Option 3 is more like what we are doing now with some adjustments.

Mayor Ed McGuire stated that more research would need to be done for Option 4.

City Administrator Jamie Mills stated that the amount needed for the fund depends on the permits.

The committee felt Option 3 is the most fair for the residents.

Citizen Robin Mills stated what he pays for water.

Councilor Susan Snow suggested Option 3 at \$113.

City Administrator Jamie Mills stated that last year's water usage was over 37 million gallons.

Mayor Ed McGuire stated that we should come up with some comparisons for water use only in different cities like Florence and Eugene.

Richard Snow motioned to present Option 3 at \$114/POU to the City Council. Gail Nichols seconded the motion. The motion passed unanimously.

Richard Snow moved to accept the budget as presented with some minor corrections as discussed. Mayor Ed McGuire seconded the motion. The motion passed unanimously.

City Administrator Jamie Mills said that there will be two public hearings.

Mayor Ed McGuire asked that if in the public hearings we could talk about the proposed adjustment due to shortage in the water fund.

9. PUBLIC COMMENTS AND QUESTIONS

Citizen Jeanne Jackson expressed concern about how she and her sister were presented in the October, 2023 minutes.

10. CONSIDERATION OF RECOMMENDATIONS (IF ANY)

11. THE NEXT BUDGET MEETING IS SCHEDULED FOR WEDNESDAY, APRIL 3, 2024 AT 6 P.M.

11. ADJOURNMENT

Mayor Ed McGuire adjourned the meeting at 8:16 p.m.

APPROVED BY THE BUDGET COMMITTEE THE 3RD OF APRIL, 2024.

__ [Signature On File At City Hall] _____
Ed McGuire, Mayor

ATTEST:

__ [Signature On File At City Hall] _____
Jamie Mills, City Administrator/Recorder