



CITY OF YACHATS

**Yachats Budget Committee Meeting**

**FY 2022-2023**

Meeting via Zoom & In-Person

441 Hwy 101 N, Yachats OR 97498

Date: May 9, 2022

**Meeting Summary**

Meeting Call to Order by Budget Officer Heide Lambert for the City of Yachats Budget Committee Meeting on May 9, 2022, at 9:08am to order for the 2022-2023 Fiscal Year Budget. Members present: Leslie Vaaler, Mary Ellen O'Shaughnessey, Greg Scott, Anthony Muirhead, and Council President Ann Stott. Committee Members present: Brad Webb, Lance Bloch, Don Groth, John Moore, and Tom Lauritzen. Staff: Neal Morphis, City Coordinator.

(0:08:00) Budget Message read into the record

(0:12:29) Point of Order called by Don Groth, stating the Urban Renewal Agency Budget needs to be done first due to the transfers. Member Scott will not be available for the 2<sup>nd</sup> budget meeting is why it is in this order. Members voted to follow agenda by show of hands:

Aye: 7

Nay 3

(0:19:16) Continued reading Budget Message into the record. Pages 6-8.

(0:26:45) Nomination for Budget Chair and will Chair the meeting. The Budget Committee appointed a de facto Chair to the Budget Committee to yield the floor. Lance Bloch nominated Mayor Vaaler, Greg Scott nominated Tom Lauritzen: Leslie Vaaler declined nomination, and the vote for Mr. Lauritzen is as follows:

Aye: Leslie Vaaler, Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Anthony Muirhead, Lance Bloch, Don Groth, Brad Webb, and John Moore

Nay: None

(0:32:13) Starting on Page 9, City of Yachats Supplemental Budget Summary was passed by Council on May 5<sup>th</sup>, 2022.

(0:33:22) Page 10 represents the FTE count analysis for YR 22-23. There are 10.4 FTE in the plan for year 2015 prior. 2016 changes were made to job descriptions, titles, and

1 hired contracts to complete tasks, and dropped down to 8.6 FTE; added other  
2 contracted temporary staff in their place, and current staffing is now 12.5 FTEs after  
3 COG's departure. Council did vote to make the Planner position to four day a week  
4 position once the duties were completed for the City Manager duties. The budget is  
5 recommending an additional 2.85 FTEs for a succession plan. Totaling 15.20 FTEs. A  
6 5% increase for the additional staff. 50% of the succession plan will go to the General  
7 Fund and the other half will go to Water and Wastewater. The contract work will be  
8 limited as much as possible; to keep Janet Kline for financial assistance as needed;  
9 housekeeping, grounds keeping, and the judge will stay contracted; task the person as  
10 the Commons Coordinator to take on Code Enforcement.

11  
12 (1:03:54) Page 12 - asking for approval of the cost of page 11 positions. A one-time  
13 step up 10% to reflect the Union negotiations coming up and to approve the head count  
14 positions and the cost and distribution to the various funds. Discussion continued as to  
15 how the accounts are charged for the FTE's time. The Library position is a 10 hour per  
16 week, but health insurance is rather high for this position and the amount budgeted is a  
17 rough estimate and may not be used. This is the best guess structure up to date.

18  
19 (1:24:00) Motion was made by member Brad Webb to distribute the \$48,000 of the  
20 succession planning wages from City Hall to Streets, Storm Drain Water and  
21 Wastewater Operations for the 2 FTEs for Public Works:

22 Aye: Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Anthony Muirhead,  
23 Lance Bloch, and Brad Webb

24 Nay: Don Groth, John Moore, Tom Lauritzen, Leslie Vaaler

25  
26 (1:31:35) Restated above Motion is the sharing of the succession wages and benefit  
27 costs will be accomplished by a transfer as needed and charged to the Enterprise Type  
28 Funds Water, Sewer, Streets and Storm Drain:

29 Aye: Leslie Vaaler, Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Anthony  
30 Muirhead, Don Groth, John Moore, Tom Lauritzen, Lance Bloch, and Brad Webb

31 Nay: None

32  
33 (1:34:09) John Moore move to approve the FTE head count analysis for 2022-23 as  
34 referenced on page 12 of the budget:

35 Aye: Leslie Vaaler, Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Anthony  
36 Muirhead, Don Groth, John Moore, Tom Lauritzen, Lance Bloch, and Brad Webb

37 Nay: None

38  
39 (1:35:32) Transient Rental Tax – Mr. Lauritzen explained the level that affects two  
40 different funds, the General Fund and the Visitors Amenities from 2005 to 2022 (share  
41 screen document). The starting point 2005 was modest at \$425,521 and gradually  
42 increased, then the rates increased by 2%; then 2015-2016 took a jump up to \$932,025  
43 and now up to \$1,200,000 in 2022-2023. 61% went to general fund and 39% went to  
44 visitor amenities fund.

45  
46 (1:43:15) Discussion continued regarding 2022-23 use of the 1.2 million for the budget;  
47 consider raising the rate from 9% to 12% and will be an agenda item for next year and  
48

1 to change in the low season. As for the sale of the Abode, it will be staying a hotel, the  
2 expectations are high and will be more aggressive on the rates; could possibly see a  
3 \$100,00 down from last year's income due to changes and possible recession and may  
4 need to lower the budgeted amount by \$100,000.

5  
6 (2:01:25) After discussion and a poll of the members, they agreed upon \$1,050,000. A  
7 motion was made to accept:

8 Aye: Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Leslie Vaaler, Don  
9 Groth, Anthony Muirhead, John Moore, Tom Lauritzen, Brad Webb, and Lance  
10 Bloch.

11 Nay: None

12  
13 (2:04:54) The anticipated increase in Water and Wastewater: Materials and Services  
14 inflation is up with all the services provided is up about 40%. Increased cost  
15 consumables are high, and will not be a choice and will have to purchase and how to  
16 mitigate the cost if possible. A 5% increase can fund the \$250,000 for each Water and  
17 Sewer. The increase in rates is indexed from the previous year and the City should  
18 already have that number; after discussion the board agreed.

19  
20 (2:19:25) **Break**

21  
22 (2:32:30) Back in session. Covered the General Fund and address Craig Berdie  
23 concerns regarding the decision of the Capital Improvement Plan.

24  
25 (2:34:23) Craig Berdie stated his concerns: There was \$50,000 for the Design and  
26 Engineering of the Commons Green Space and the money allocated is on page 63. The  
27 Parks & Commons Commission approved a vendor of choice and still needs to do  
28 negotiations and sign contracts in about the \$60,000 range. The concern is about the  
29 cost to the North Entry of the Commons; another concern is Design and Engineering  
30 was moved to 2023-24 and wants to have it move this back to 2022-23. The costs will  
31 continue to increase and would like to do this sooner. Discussion continued around  
32 finishing the Pocket Parks, Boardwalks, the Green Space, then doing a Master Plan for  
33 the Commons Entrances and use of the Commons. The request is asking for the money  
34 to conduct the studies, like the ADA for the entrances at the Commons. The City is  
35 requesting a Master Plan from Parks & Commons for the next five years, the  
36 Commission is responsible to the citizens and need the costs associated. Mr. Berdie did  
37 send a narrative to add to the CIP Packet, page 57.

38  
39 (2:47:30) No public comment at this time.

40  
41 (2:47:43) General Fund, page 15: Anticipated beginning balance is \$668,000, and the  
42 revenue is reduced to \$1,050,000. The Cares Act and the AARP Plan received \$87,000  
43 in 2021 and the second in July 2022. The City set up a COVID-19 Project Plan toward  
44 reimbursables and expensed them. Nothing further happed on Cares Act expenditures  
45 and have pulled together a claim for thousands of dollars and will file the claim with the  
46 government (did not indicate what branch); it's appropriate to add additional funds for  
47 the cares act funds; move \$87,000 cares act money up to \$187,000; the amount that

1 was coded in Springbrook software was over \$200,000. Discussion continued that  
2 raising the franchise fees could be considered and will keep watch and Public Works &  
3 Street is responsible but has not been done; amounts budged for marijuana, property  
4 tax, licensing fees; personnel \$60,000 (explore creating the system) is for software  
5 development for the city, less than what was recommended by Scott. The development  
6 work costs, and the agreement is in place with Oregon State University to do the work  
7 comes down to how much money the city is willing to pay. After discussion, there is  
8 some discomfort with some members that this software project is headed by a Councilor  
9 that wants to leave his legacy, has made personal investments, and that this is a conflict  
10 of interest and should recuse himself. It was suggested that this should be decided by  
11 Council not the Budget Committee.

12  
13 (3:36:00) Community Support Beautification is at \$50,000 due to recovering the \$80,000  
14 from Community Lending.

15  
16 (3:37:00) Discussed an Increase to the Travel Fund from \$500 to \$1,500.

17  
18 (3:38:45) Leslie Vaaler made a Motion to decrease the software from \$60,000 to  
19 \$30,000, and did not pass with the following votes:

20  
21 Aye: Leslie Vaaler, John Moore, and Brad Webb  
22 Nay: Mary Ellen O'Shaughnessey, Greg Scott, Ann Stott, Anthony Muirhead,  
23 Don Groth, Tom Lauritzen and Lance Bloch

24  
25 (3:39:37) Tom Lauritzen made a Motion under the Material and Services to accept as  
26 amended for the extra \$1,000 in the Travel Fund.

27 Aye: Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Don Groth, John  
28 Moore, Tom Lauritzen, Lance Bloch, and Anthony Muirhead  
29 Nay: Leslie Vaaler and Brad Webb

30  
31 (3:43:05) Transfer Section page 16: to future water securities transfer amount is for  
32 \$259,000 beginning balance, and \$668,654 ending balance and approve the funds that  
33 are received.

34  
35 (3:47:39) Moore moved to approve the transfers section to City Hall operating budget:  
36 Aye: Leslie Vaaler, Anthony Muirhead, Greg Scott, Ann Stott, Mary Ellen  
37 O'Shaughnessey, Tom Lauritzen, Don Groth, John Moore, Brad Webb, and  
38 Lance Bloch  
39 Nay:

40  
41 (3:48:30) Debt Services, page 46: The Water Revenue Bond is a Special Obligation of  
42 the City authorized by the City's Resolution 2017-03-01 adopted March 8, 2017. This  
43 bond is held at Washington Federal Bank. The Revenue Bonds requires that the net  
44 Water Revenues be 1.2 times of the total Debt Service and that a \$42,000 reserve be  
45 held by a Washington Federal Account and the interest rate on this debt is 3.07% with a  
46 payoff of March 17, 2032.

47

1 (3:54:02) The Water General Obligation Bond Budget is a general obligation of the City,  
2 and the full faith and credit of the City are pledged to repay this debt. The interest rate  
3 on this debt is 3.0% with a payoff of December 15, 2031. This Bond is held at  
4 Washington Federal. There are no pre-penalty for early payoff.  
5

6 (3:58:01) After discussion and review of the funds, Leslie Vaaler made a motion to  
7 accept Debt Services as presented in the budget:

8 Aye: Mary Ellen O'Shaughnessey, Ann Stott, Greg Scott, Anthony Muirhead,  
9 Leslie Vaaler, Don Groth, John Moore, Tom Lauritzen, Brad Webb, and Lance  
10 Bloch

11 Nay: none  
12  
13

14 May 23<sup>rd</sup> at will be the next budget meeting. Heide Lambert, Budget Officer adjourned  
15 the meeting at 1:00pm.

16  
17 Prepared by Kimmie Jackson, Deputy Recorder, on December 29, 2022  
18