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City of Yachats  
**FINANCE COMMITTEE**

April 3, 2018

Draft Minutes

Chair Beaucaire called the April 3, 2018 meeting of the Finance Commission to order at 3:02 pm in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Tom Lauritzen, Don Groth, John Moore, and Jim Tooke. Absent: none. Staff present: Clerk Judy Richter, Wastewater Plant Lead Dave Buckwald, Water Plant Lead Rick McClung. Audience: 3.

**I. Review of FY18-19 Budget and CIP projects**

Lauritzen provided the following analysis of water and sewer funds:

	<b>WATER</b>	<b>SEWER</b>	<b>SDC</b>	<b>TOTAL</b>
Current Balance in Reserves	610,000	550,000	132,000	1,292,000
Loan from reserves to be applied to Highway 101 deficit (Fund 200 – needs to be zero balance by end of FY)	(361,000)	(300,000)		(661,000)
<b>SUBTOTAL</b>	<b>249,000</b>	<b>250,000</b>	<b>132,000</b>	<b>631,000</b>
Anticipated reserve funds generated by plants in FY18-19	100,000	100,000		200,000
<b>SUBTOTAL</b>	<b>349,000</b>	<b>350,000</b>	<b>132,000</b>	<b>831,000</b>
Excess funds in water & sewer	250,000	250,000		500,000
<b>TOTAL RESERVES FOR FY18-19</b>	<b>599,000</b>	<b>600,000</b>	<b>132,000</b>	<b>1,331,000</b>
Applied to FY18-19 CIPs	(310,000)	(190,000)		(500,000)
<b>REMAINING RESERVES</b>	<b>299,000</b>	<b>410,000</b>	<b>132,000</b>	<b>841,000</b>

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Lauritzen reported the current water and sewer CIP request total is \$690,000. He indicated the SDC reserve amount could be brought down to 50,000, freeing up 82,000 to apply to CIPs.

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2 **A. Water CIPs**  
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4 The Committee discussed specific CIP requests:

- 5 **1. W 3<sup>rd</sup> Street (\$100,000):** McClung suggested Public Works do the work for 3<sup>rd</sup>  
6 Street in-house. The request could be reduced from \$200,000 to \$100,000.  
7 **2. Master Plan (\$85,000):** essential  
8 **3. Back truck (\$90,000):** essential  
9 **4. Blackstone enclosures - booster stations (\$20,000):** Should be done in FY18-  
10 19 as they leak  
11 **5. Radio read meters (\$15,000):** Richter indicated they could take \$15,000 from  
12 each water and sewer for a total of \$30,000.  
13 6. Systems improvements/replacements water plant at 25 years (\$50,000): not  
14 urgent for FY18-19. McClung indicated they could address these issues in the  
15 master plan.  
16 7. 2<sup>nd</sup> St water line (east end): can be delayed but needs to be done in FY19-20  
17 8. Loma, Spruce and Pontiac Streets: move to FY19-20  
18

19 Driftwood water line will be completed this FY.  
20

21 The above schedule (items in bold: 1 to 5) totals \$310,000 and leaves \$289,000 in  
22 water reserves.  
23

24 Other issues considered:

- 25 1. McClung noted the handheld needs replacing for an estimated \$8,000.  
26 2. Buckwald wants to split pole building with water  
27 3. Richter indicated the City has been approved to increase the loan for the South  
28 Tank.  
29

30 **B. Sewer CIPs**  
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- 32 1. Towable Spreader: can be moved to FY19-20  
33 2. Crestview Sewer line: McClung indicated the engineer's bid was \$159,000 for the  
34 sewer line. Buckwald suggested they only do the first two manholes to cover  
35 existing home and homes scheduled for build. Richter noted there is  
36 \$100,000 in the current CIP for this fiscal year and \$50,000 for next year.  
37 McClung suggested they include the sewer line on the IFA. Lauritzen stated it  
38 was prudent to move items into the South Tank loan. There might be savings  
39 in installing the sewer line while the trenches are open for the water lines. The  
40 Committee agreed to try to include the \$50,000 for FY18-19 into the IFA loan.  
41 **3. Pole building (\$60,000):** The pole building size is contingent upon whether the  
42 Library moves to the 501 Building. Shannon noted a decision about the use of  
43 the current Library building would be made in FY18-19. She suggested

1 leaving the funds for the building in FY18-19. Dave's ideal is 60 and keep it in  
 2 18-19

3 **4. Radio Read meters (\$15,000):** keep

4 **5. Back truck (\$90,000):** keep

5 **6. 2,000 gallon Bio solids truck (\$15,000):** need to purchase in FY18-19

6  
 7 The above schedule (bold items 3-6) totals \$190,000 and leaves \$410,000 in sewer  
 8 reserves.

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 10 **C. General Funds**

11 Lauritzen noted the current funds in each category:

	CITY HALL	PARKS & COMMONS	LIBRARY	LITTLE LOG CHURCH	STREETS	STREET EQUIP	TOTAL
Beginning balance	73,000	133,000	170,000	6,500	79,000	22,000	483,500
			Includes Hall Bequest		can be merged 100,000		
FY17-18 balance adjustment					184,000		
SUBTOTAL					284,000		
TOTAL CIPs	(55,000)	(85,000)	(50,000)		(203,500)		(393,500)
BALANCE	18,000	48,000	120,000		80,000		

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 16 1. City Hall

17 **a. Emergency Operations Plan (\$5,000):** Beaucaire noted the Emergency  
 18 Operations Plan might be done in house. Jenny Demaris considered the size  
 19 of Yachats and suggested they leverage information from the Newport and  
 20 Lincoln County updated plans. The Emergency Preparedness Committee can  
 21 make these updates and McClung will assist. McClung suggested keeping  
 22 \$5,000 for FY18-19, and he could capitalize his hours to the CIP. Moore  
 23 suggested asking the Committee about their commitment to take on this  
 24 project.

25 **b. IT (\$50,000):** The Committee discussed distinguishing between hardware,  
 26 software and code/systems development. Equipment needs to be upgraded.  
 27 Richter noted they need to establish ongoing plans for equipment upgrades.  
 28 Beaucaire is exploring website design. There are questions about how much  
 29 additional systems development is needed. Moore noted there is no expected  
 30 need for large equipment item replacement such as the copier. Moore was  
 31 comfortable with The Committee agreed to the following:

32 Systems Development: \$20,000 (one year)

1 Hardware: \$10,000 to include servers and backups/redundancy (one year)  
2 Website: \$20,000 (one year)

3  
4 2. Library

5 **a. Library (\$50,000):** The Council has committed this amount for FY18-19. Moore  
6 reported the Library had indicated they would raise \$200,000, get \$150,000 in  
7 grants, and have the City contribute \$50,000 for a total of \$400,000. Anderson  
8 believed the \$200,000 in fundraising included \$75,000 from the Hall Bequest.  
9 It was not clear if this money was being double-counted. The Committee  
10 agreed to allocate an additional \$25,000 for FY19-20.

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12  
13 3. Commons

14 **a. Roof (\$65,000):** must do in FY18-19

15 **b. Structural beam in basement (\$20,000):** Moore and Beaucaire stated this item  
16 takes precedence over the other items on the list.

17  
18 Moore indicated the other proposed CIP items for Parks and Commons can be delayed  
19 to FY19-20 (main entry improvements, Native American court, fire circle, entry portals,  
20 community garden, and fitness trail).

21  
22 Groth noted they might need to replace the stove and refrigerator. Moore indicated he  
23 would talk to Rose Valentine of the Friends about these items.

24  
25 4. Streets

26 Moore noted \$203,500 is being requested for street engineering and paving. Lauritzen  
27 noted there is a balance in this fund from having moved money in last year that was not  
28 spent. Lauritzen noted: \$105,900 was transferred from the General Fund; \$264,00 was  
29 transferred from Visitors Amenities, and 200,000 of that was dedicated for parking; and  
30 various little fund additions). The current balance is \$383,900, of which 200,000 should  
31 not be spent.

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33 **d. Visitor Amenities**

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35 Lauritzen noted they could remove the \$200,000 for parking.

36 Lauritzen reported:

- 37 - Started year with 130,000
- 38 - Raised 331,000 year to date (estimate of 370,000 to 380,000 with April payments)
- 39 - Total of 461,000

40  
41 The allocations are for \$479,000, adjusted to \$279 because of parking. This will leave  
42 \$181,000 in Visitor Amenities reserves.

- 1 1. Restrooms: Moore indicated the Little Log Church is a priority over the restrooms.
- 2 This item will move to FY19-20
- 3 2. Ocean View Drive: keep for FY18-19
- 4 3. Evans/Betz: will not happen in FY18-19

### 6 3. Little Log Church and Museum

7 Moore indicated there are three approaches with unknown costs: a full restoration, a  
8 tear down and build of a replica, replacement of the south and east walls. The  
9 Committee agreed to leave the amount at \$150,000 and figure the coverage when  
10 during budgeting.

11  
12 Moore suggested to use the \$60,000 allocated for the restroom for the repairs on the  
13 Little Log Church. Some funding for the Little Log Church can be paid with Visitor  
14 Amenities.

15  
16 Tooke asked if volunteer labor could be used on the Little Log Church repairs.  
17 Beaucaire indicated the use of volunteer labor would be contingent on the chosen  
18 method of repair.

19  
20 Beaucaire indicated she would set Budget Hearing date.

21  
22 Lauritzen reported James Kerti has indicated he would like to be on the Budget  
23 Committee.

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26 Lauritzen added when they planned the FY17-18 budget, they had planned to restore all  
27 of the LID repayments back into the SDC fund. However, to make it happen now, they  
28 would need to take money from the General fund or from reserves. Lauritzen suggested  
29 holding off making this transfer at this time.

## 32 **II. South Tank Project**

### 33 **A. Review of current status**

34 Beaucaire reported the pad for the tank is poured, but there were issues with the rebar  
35 and the ring. Clackamas missed a deadline so the tank building crew went to another  
36 site. The City was told the crew would be there on March 26, 2018, but they did not  
37 show. Clackamas Construction has not been responding to calls and emails. Civil West  
38 Engineering has provided information on estimates for the sewer line, but has not  
39 provided information on when they might get another crew to the site. Beaucaire  
40 indicated she asked McClung to look at the contracts to see what legal and financial  
41 options the City had.

42  
43 McClung reported the contract stipulates a fine of \$250 each day they are late. He  
44 noted there is a section on "special damages," which indicates the City can seek

1 compensation from the contractor if the City incurs fines or penalties and can ask them  
2 to pay for the engineering costs. McClung reported he has notified the engineers that  
3 the cost would be \$600,00 to \$700,000 if they miss the November 6, 2018 deadline for  
4 completing the project. McClung noted the late charges amount to only \$40,000 for five  
5 months late fee.

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7 Beaucaire adjourned meeting at 5:07 pm.

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Shannon Beaucaire, Chair

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14 Minutes prepared by H.H. Anderson on April 10, 2018.

DRAFT