

CITY OF ROCKAWAY BEACH
BUDGET COMMITTEE MEETING

APRIL 9, 2014

- CALL TO ORDER** Mayor Aagaard called the meeting to order at 5:00 p.m. There was one (1) guest present.
- ROLL CALL** Present: Mayor Joanne Aagaard, Council President Rich Riley, Councilors; Mardi Wing, Terry Walhood, Sue Wilson, and Tony Enzler. Citizen Members; Dave May, Linda Olson, Laura Owens and Ann Swain. Also present: City Manager Lars Gare, Public Works Director Luke Shepard, Fire Chief Barry Mammano, Finance Officer Paul Laprevote, and Police Chief Ed Wortman.
- APPOINT BC CHAIR** Mayor Aagaard stated that at the first Budget Committee meeting a Budget Committee Chair is selected. She stated she would accept nominations from the floor. Ann Swain nominated Laura Owens, Linda Olson seconded. Rich Riley nominated Joanne Aagaard, Dave May seconded. Laura Owens nominated Dave May, Ann Swain seconded. Aagaard closed nominations. Gare tallied the votes; Owens – 3, May – 2 and Aagaard – 2. Owens was appointed the Budget Committee Chair. Aagaard pointed out that there was a library representative in attendance to speak on behalf of the Friends of the Library.
- PRESENTATIONS** Ann McBride, President of the Friends of the Library thanked the City for its support and financial help given in the past and would like the committee to consider the library again this year. She stated last year the City gave them \$500.00 and this year they were asking for an additional \$1,000.00. McBride described the difficulties of maintaining a 14 year old building with limited support from the County. She noted the library was an important part of the community and visitors used the library, too. She ended by saying she would like them to consider the request as it would be much appreciated. Owens asked how much the library wanted. McBride said they usually receive \$500.00 and were requesting an additional \$1,000.00. Owens asked if the County helped. McBride stated no, the County only supplies computers and books.
- APPROVAL OF MINUTES** Gare stated there were 8 members who could vote on the minutes from the May 8, 2013, regular Budget Committee meeting and listed them. Riley made a motion, seconded by Wilson, to approve the minutes of the May 8, 2013, regular Budget Committee meeting as written; Riley, Wilson, Walhood, Swain, Aagaard, Owens, Olson and May voted in favor; motion carried.
- PRESENTATION OF BUDGET** Gare read the budget message into the record. (Attached) He directed them to the tax data provided compared to other cities in the County. He

MESSAGE

pointed out that Rockaway Beach had the second lowest tax rate in the County. Additionally he turned members' attention to the organizational chart provided in their Budget Books, a list of transfers, a synopsis of the budget listed by fund, and a long term debt service report. He noted each section of the book began with a pie chart.

**DISCUSSION OF
BUDGET FOR
FY 2014/2015**

Gare stated he would have Finance Officer Paul Laprevote go through the funds and members were welcome to ask any questions they wanted. He stated he would start with the General Fund and get through that tonight and take on the rest at the next meeting. Laprevote stated there had been one change from last year and that was the Fire Department had a separate account now for their fundraisers. Wing ask what City Beautification was. Laprevote explained that was for the volunteers who plant the flowers around town. Wing asked for the total fund amount for City Beautification. Laprevote said \$6,000.00 had been transferred in this year. He pointed out that the first 2 pages of General Fund are revenues. Walhood noted that the Beautification money would go for plantings and Seaview Lake would be included in that this year. Laprevote stated there was a little more transferred into revenues because of the increase in TRT. Enzler asked Laprevote if what he was saying was that the increase was based on the percentage increase, so the City was estimating the collection would be higher. Laprevote stated yes, the City but doesn't have that yet. Gare stated the only data staff had was from one of the worst quarters of the year, but they were not overly optimistic in preparing the budget. He noted the City would probably get some of the County tax back for some projects, but he was unsure of how that would work at this point. Laprevote moved members onto the Police expenditures on page 3, where he noted there was an increase due to the remodel of the newly purchased building. Gare pointed out that it should be 2 FTEs rather than the 3 FTEs that are shown. Owens asked where the money for improvements were listed. Laprevote said those monies were included in line 29. Gare commented the City would see what improvements could be done with \$17,000.00. He stated the Fire Department expenditures were a work in progress as Chief Mammano had a list of items that he wanted to get done and he had a fire truck reserve of \$94,000.00 that he didn't want to use. He stated the City may have to look at a cooperative effort between it and the Fire Department, but he didn't want to go too far out on a limb until he had a chance to talk to Mammano a little bit more. Owens asked what Conflagration Pay was. Laprevote explained that it was when the state calls out an employee to work on a wildfire, for instance, then the state pays the employee, but they pay the employee by paying through the City, then the City has to pay it out to the employee. Riley suggested the Committee table the Fire Department needs until next meeting. Gare agreed with Riley that would be best. Laprevote said Park & Recreation expenditures were next and they had stayed about the same. He stated Administration had not changed much except that City Hall needed more for a server. Gare added that City Hall needed a new server because the

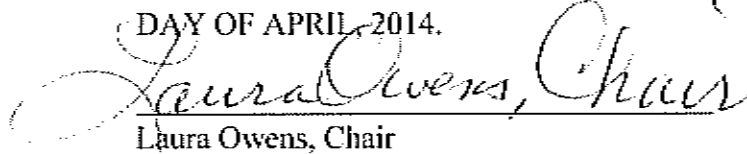
current server keeps crashing and he wanted a local IT person for servicing. Laprevote stated he had included the payments from Revenue Sharing in Administration of which had remained virtually the same as last year to Meals for Seniors, Friends of the Library, and the Race of Champions. Gare added that there was also a request for funding for Seaview Lake and if it could be squeezed out he would like to see that happen. Riley asked what the line was for Ordinance Enforcement. Laprevote explained that sometimes the City had to do some cleanup due to ordinance enforcement as in the incident that had happened a few years ago with a structure on Hwy 101. Laprevote directed members to line 22 City Beautification that had increased for improvements at Seaview Lake. Wing commented that she thought the City wasn't accruing comp time. Laprevote explained that the City was required to compensate employees, so line 9 was a legal liability that it had to carry so in case someone should leave and the City had to pay them out. Owens asked what payroll expenses were. Laprevote explained it was FICA, health benefits, and all the employee benefits lumped together. He directed members to page 7 where he pointed out the parking lot payment, the USDA loan for the City Hall building, and noting that he had put in some funding for a new copier as City Hall's was frequently breaking down. He added that he would like to see the contingency higher in every fund. Gare explained that it was different from last year and could be used to keep the City from over spending, but not without coming back to the Council for authorization to do so. He pointed out that the \$103,800.00 on line 25 was the Unappropriated End Fund Balance, which was not slated to be used, was the minimum amount left over at the end of the year and it should be significantly higher than the \$103,800.00 that was projected. He added the City was not over estimating the revenue; it was under estimating the revenue and was spending conservatively. Enzler stated that he had noticed it was dropped from \$277,000.00 last year by 35% to \$103,000.00, mitigating a lot in this year's budget and wondered if either Gare or Laprevote were concerned about that. Gare answered that he had told Laprevote the City didn't want to go below \$100,000.00 and the City could easily make up that \$100,000.00 with the unknowns on the revenue side and the under expenditure. He said 2 years ago the auditor had said there would only be \$6,000.00 in the projected Ending Fund Balance. Enzler noted that was way too close. He noted that was roughly 10% of the overall and that was comfortable. Laprevote stated he would prefer that it was higher, but if staff manages the expenditures, it would be higher. Gare said in his experience this was nothing to be too alarmed about. Enzler stated he realized it was just a template. Laprevote said the next 2 pages were closed funds, funds that were closed last year and moved into Administration. He stated page 10 was Fire Equipment Reserve the transfer in was about \$12,000.00 every year and there's approximately \$81,000.00 to begin with and would be \$94,000.00 by the end of the year. He stated the Project and Equipment Reserve Fund on page 11 was a savings mechanism for water, sewer and roads funds for

different projects of various sizes. Laprevote stated next year Public Works needed to buy a new vehicle and members would see a budgeted amount of \$20,000.00. Owens asked if that would be an additional vehicle or a replacement. Shepard stated it would be a replacement vehicle. Gare suggested they go over Roads and Streets then go on to TRT and leave off there because the other funds would take too long and the meeting would run over. Laprevote stated Roads and Streets Fund was difficult to find resources for and typically the City just scrapes by. He said line 12 on page 12 showed the Special City Allotment (SCA) Grant budgeted for \$50,000.00. Gare mentioned that the City would apply for this grant in August, but Public Works would be paving N. Miller Street between N. 3rd and N. 6th Avenues with money the City had. He explained the SCA grant couldn't just be used for any road it had to meet certain criteria. Wing stated the roads kept deteriorating and she doesn't see the City making any provision to fix them, she thought the funds were coming from TRT. Gare stated they would. She asked where it was. Laprevote pointed out line 23 where some additional funding from TRT had been allocated. Wing stated the Roads and Streets Fund keep lagging behind other departments that were doing well. She noted the poor condition of S. 2nd Ave., which is a main thoroughfare and the poor condition of Longview Loop and she doesn't see those being repaired. She stated other departments are doing well while this just flails and when they talked to citizens, their number 1 complaint were the streets. Walhood pointed out that many streets in the City were County owned. Owens asked if they would see any paving in the City between now and September. Shepard stated yes, N. Miller Street between N. 3rd and N. 6th Avenues. He said for next year he would like to see if the City received the SCA grant and then decide which streets to pave. Riley said he agreed with Wing, but wasn't sure what could be done. Wing stated she thought the City needed to allocate more funds to Roads and Streets and take funds away from other departments. Wing said it seemed as though there's money for other things. Mammano told them to look at the pie chart to see where the biggest part of the budget was going and cut half of that and distribute it to Roads and Streets. Wing agreed with Mammano. She stated the City could afford to buy a police building, but couldn't fill a pot hole and that's what the people would look at. She added that there must be some sort of way to tackle this. Gare stated this was not an unusual issue everyone had the same problem. Owens stated it needed to be discussed at another time and let Laprevote go on. Laprevote went over the revenue side and the expenditures in the Roads and Streets Fund. Wing asked what the Juniper Street stabilization was. Laprevote explained that it was the slide on PVE across from the Orloff property. Gare explained the City had to have an engineer do a boring to see what was under the road, the property owner, Bud Geinger, had passed away and Orloff now had an attorney. He suggested they move on to discuss TRT. Laprevote directed members to pages 31 and 32 where he said the City was hoping for a large increase. He noted the good fund balance. He stated on page 32 funds were increased across the board.

Gare pointed out the advertising media and tourism and that there had been funds set aside for the City's use. He also noted the bad debt budgeted for those people who don't pay their TRT. He stated he was unsure of what the compliance rate was. Owens asked if there was any way to patrol this. Riley stated he had called staff to see if certain addresses were registered. Laprevote pointed out the increase in materials and services in the departments. He noted more TRT had been transferred to materials and services. He noted that he had contingency funds there, also. Gare recommended they pick up where they left off and continue the meeting to April 30, 2014, at 6:00 p.m.

CONTINUATION Owens continued the meeting to April 30, 2014, at 6:00 p.m.

MINUTES APPROVED THIS 30TH
DAY OF APRIL, 2014.


Laura Owens, Chair


Lars Gare, City Manager