

1. Agenda

Documents:

[2020-02-12 Finance Committee Agenda.pdf](#)

2. Meeting Materials

Documents:

[2019-12-11 Finance Minutes.pdf](#)

CITY OF YACHATS



Finance Committee Meeting

441 Hwy 101 N., Yachats Commons/ Room 1

February 12, 2020 at 10:00am

AGENDA

- I. Call Meeting to Order
- II. Minutes
 - A. Minutes: December 11, 2020
- III. New Business
 1. Interfund 501 Building Loan repayment from City Hall Fund 100-1010 of \$234,248 (Original Loan \$254,480 less refund \$20,232)
 2. South Tank FYE 6/30/19 Fund Balance of \$210,354 transfer to fund 660-1705

The need to settle these monetary amounts for next budget cycle is that Water Capital Projects are proposed to be \$420,000 for fiscal year ending 2021. The current fiscal year ending 2020 has projected revenue of \$312,522 consisting of beginning balance and current year funding. The current fiscal year 2020 proposed expenditures is \$277,903. That leaves a carryover balance of \$34,619 plus expected funding from Water operations of \$100,000. The unfunded balance could be made up by approximately \$250,000 from SDCs if that is appropriate for water projects anticipated.

**Public Works need to have the two agenda items resolved to complete budget cycle recommendations.

3. Recommendation to move F & B Tax receivables directly to Debt Service as a receivable vs. transferring out of Fund 150 to 155. This will save a step and reduce the risk of errors for the manual transfer with the money going directly to the Wastewater Debt service

- IV. Other Business
 - A. From the Committee
 - B. From the Staff
 - C. From the Floor

This meeting is open to the public and all interested persons are invited to attend. This meeting will be audio taped. All items to be considered by the Commission must be submitted to City Hall no later than one week prior to the meeting. Minutes of all public meetings are available for review at City Hall, or on the City website at www.yachatsoregon.org

In accordance with ORS 192.630, City of Yachats will make a good faith effort to provide accommodations for any person desiring to attend a public meeting, if the request is made at least 48 hours in advance of the meeting time. The meeting room is physically accessible to persons with mobility devices; a sign language or foreign language interpreter may be available, with advance notice. Call City Hall at 541- 547-3565 or Oregon Relay 1-800-735-2900 (TDD) two days in advance. POSTED February 6, 2020



City of Yachats

FINANCE COMMITTEE

December 11, 2019

Draft Minutes

I. Call to Order

Chair Shannon Beaucaire called the December 11, 2019 meeting of the Finance Commission to order at 10:00 am in Room 1 of the Yachats Commons. Members present: Shannon Beaucaire, Don Groth (Public Works), Jacqueline Danos (Planning), John Purcell (Parks and Commons), Jim Tooke (Council), David Rivinus (Library), and Mayor John Moore. Absent: none. Staff present: Martha Jirovec. Audience: 3.

II. Minutes November 13, 2019

Groth moved to approve the November 13, 2019 minutes as presented: Aye – 7; No – 0.

III. Continuing Business

A. FY19 Audit, URD FY17 and FY19 Audit

Beaucaire reported the meeting packet contained the audit reports presented to Council at their last meeting.

Groth noted the FY21 budget for URD will require an audit because of anticipated expenses.

Groth highlighted on page 73, other local revenue shows \$45,817 for the capital reserve requirement coming from sewer as determined by the auditors. This number agrees with what the Budget Committee concluded with \$40,000 and the \$5,880. He noted this line item was not on the Water Fund and would like it to be included as it was a good way to track the reserves.

Groth suggested they would need to eventually compare the finalized budgeted numbers to the audit reports.

Jirovec indicated COG will adjust the beginning balances now that they have the audit reports. Jirovec summarized that the City used modified cash for FY19, is using modified accrual for FY20, and will be using full accrual for FY21.

Groth noted the total water revenues of \$747,890 and sewer revenues of \$615,764 had a greater difference than he had expected.

Tom Lauritzen asked why there were additional fees charged for the URD audits. Jirovec explained their auditor noted that they needed the audits for the State because of the higher

1 expenses. Lauritzen stated the URD audit was done as part of the City's audit so the URD
2 separate audit would just be a word processing task. Lauritzen noted the audit only contained a
3 handful of numbers. Jirovec explained more work was required to dig deeper into the records to
4 verify the numbers. She added the auditor had recommended having a separate account for URD
5 funds.

6
7 Groth and Moore discussed the pros and cons of combining URD expenses into one fiscal year.

8
9 Beaucaire pointed out that the auditor had made several recommendations for the URD in the
10 beginning of the URD documents.

11
12 **B. Update on Financial Forecasting from Jacqueline Danos**

13 Danos reported she recreated a new spreadsheet for Yachats from the Aumsville spreadsheet.
14 She indicated she spoke with a representative from Aumsville who indicated this translation Mac
15 to PC.

16
17 Danos suggested there should be some vehicle for forecasting within Springbrook. Jirovec
18 indicated COG was working with other companies on adding forecasting abilities to use in
19 conjunction with Springbrook.

20
21 Purcell asked about anticipated time to resolve the issue. Purcell and Danos indicated it would
22 likely be February 2020 before she knows more. Lauritzen recalled Nancy Batchelder left
23 spreadsheets for forecasting on the shared drive under wages and benefits.

24
25 **IV. New Business**

26 **A. Financial Reports**

27 Groth noted the period on the Consolidated Revenue statement is 04-04 rather than 01-04.
28 Jirovec indicated they would be corrected this reporting going forward.

29
30 Lauritzen suggested there was cleanup needed around the legal fees. Beaucaire indicated they
31 were aware of this issue.

32
33 Purcell clarified the period notation are for the fiscal year with 01 being for July, 02 for August,
34 and so forth. Jirovec indicated she would inquire if the reports could reflect the name of the
35 month.

36
37 Moore recalled they did not know how much to budget for the marijuana tax and numbers
38 coming in have been higher than anticipated. Jirovec indicated the State was still determining
39 how frequently the payouts would be from the shared pool.

40
41 Jirovec reported they were working on the debt service reporting. Groth noted while there was
42 one restricted Fund 155, there were four separate accounts under debts. Jirovec stated they were
43 speaking with the auditor on the proper method for tracking these accounts.

1 Lauritzen suggested the tracking percent on the transient lodging tax was not helpful as the
2 revenues from these taxes was not linear. He suggested tracking based on what was expected for
3 that month or quarter to factor in the seasonality of these revenues.
4

5 Beaucaire stated she had not found a sunset clause for the food and beverage tax. Groth clarified
6 these revenues would go directly to the debt services. Purcell asked about refinancing the debts.
7 Beaucaire noted the rates were rather low.
8

9 **B. FY21 Budget Process**

10 Jirovec handed out an abbreviated schedule. Beaucaire reported the Commission Chairs were
11 working on their budget documents and numbers. Beaucaire planned to have the Budget
12 Hearing the week of May 6, 2020.
13

14 Beaucaire clarified that the URD Committee and Budget Committee can have the same
15 membership, but the meetings need to be clearly distinguished. She noted the auditor indicated
16 the two meetings can be in the same document.
17

18 Beaucaire asked Rivinus to ensure this information was communicated to the Library
19 Commission.
20

21 Danos asked about the Overall Economic Development section and noted that one issue for the
22 City was affordable housing. Danos suggested that they be more specific about encouraging
23 affordable housing as the real estate market tends to favor larger single-family homes.
24

25 Lauritzen recalled the previous process focused on the highway improvements. He noted the
26 plan must identify projects, and these projects can be amended and refiled with the state. He
27 recalled the district was established to help pay for the sewer plant. He did not see issues with
28 changing the projects as long as the contributions to the sewer plant were not impacted.
29

30 Purcell clarified that once the \$7.8 million was collected, the URD would cease to exist.
31 Lauritzen reported there was around \$4 assessed and \$3 million collected. Lauritzen indicated
32 the loan agreement matured in 2029. He noted they will have to extend the life of the URD to
33 collect the full \$7.8 million. Purcell clarified they could use the windfall expected in 2026-2029
34 could be used for water storage.
35

36 Lauritzen suggested adding language to explain the concept of “frozen value.” He suggested
37 adding, “Future taxes on the excess over the frozen value are paid to the URD by Lincoln
38 County. The remaining taxes stay with Lincoln County.”
39

40 Tooke noted the document indicated the cap was \$7.6 and Lauritzen was stating \$7,824.
41 Beaucaire indicated she would check where the \$7.6 in the document came from.
42

43 Purcell clarified that once the sewer plant debt was paid off, the food and beverage tax could be
44 used to service other costs for upgrading and maintaining the plants.
45

1 **V. Other Business**

2 **A. From the Committee**

3 Groth asked if he could see the associated spreadsheets for Fund 160.

4
5 Groth clarified that requests for use of staff time should be made during the Committee meetings.

6
7 **B. From the Staff** – none

8 **C. From the Floor** – none

9
10 With no further business before the Committee, Beaucaire adjourned meeting at 11:15 am.

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16 _____
17 Shannon Beaucaire, Chair

18 Minutes prepared by H.H. Anderson on December 17, 2019.