

Minutes of the  
**CITY OF CANNON BEACH**  
**BUDGET COMMITTEE**

Wednesday, May 27, 2009  
Council Chambers

Present: Budget Committee Members Chair Sharon Clyde, Sally Stevens, Herb Florer and Marty Schwab Harris; Mayor Mike Morgan, Council President Sam Steidel; Councilors Nancy Giasson, Melissa Cadwallader and Wendy Higgins

Excused: Nancy Littell

Staff: City Manager Rich Mays, Police Chief Gene Halliburton, Finance Director Renée Sinclair, City Planner Rainmar Bart, Public Works Director Mark See, Building Official Mark Brien and Administrative Specialist Colleen Waldhaus

CALL TO ORDER

Chair Clyde called the meeting to order at 5:05p.m.

Motion: Harris moved to approve the agenda. Higgins seconded the motion.

Vote: Clyde, Stevens, Florer, Harris, Morgan, Giasson, Steidel, Cadwallader and Higgins voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

**(1) Approval of the Minutes of the Budget Committee Meeting of May 20, 2009.**

Motion: Cadwallader moved to approve the Budget Committee minutes as presented; Giasson seconded the motion.

Vote: Clyde, Stevens, Florer, Harris, Morgan, Steidel, Giasson, Cadwallader and Higgins voted AYE; the vote was 9/0 in favor and the motion passed unanimously.

**(2) General Fund.**

Mays recapped the general fund, capital expenditures and lodging tax revenues discussed at the May 20, 2009 meeting.

Cadwallader explained the Sunset Empire Parks and Recreation scholarship and lunch programs available to Cannon Beach residents and employee's children.

Mays reviewed the Parks portion of the Budget. He reported on the impact of the Second Street seawall and it's requisite to building the Plaza. He expounded on proposed trails and elevated walk ways over wet lands.

In response to a question from Harris, Mays explained that labor for the Community Garden is included in the proposed budget. Members deliberated on the Community Garden concept and developmental costs.

Mays recounted the cut in the budget for public restrooms. Members discussed the problems, expansion and redesign with current public restrooms.

In response to questions, Sinclair and Mays explained the projected funds amount.

In response to a question from Florer, Sinclair requested that the budget committee ideally approve the budget by Wednesday, June 3, 2009 so that the notice of public hearing to adopt the budget may be published properly.

In response to questions from Harris, Rainmar confirmed that the budgeted amount is for anticipated expenses for land purchases and future land management. Members discussed the land management plan, the Oregon Department of Forestry grant process and bond issues.

### **(3) Other Funds.**

Mays noted that the building permit fees illustrated a decrease. In response to a question from Florer, Mark Brien, Building Official, explained the increase in the allotted amount will be offset by his undertaking of contractual services that had been previously subcontracted out. Brien reviewed his training and state certifications. He summarized the Planning Department's responsibility to commercial complaints and the Building Department's obligation to residential complaints.

Members discussed the RV Park operating expenses and cash flow.

Members discussed the recycling program and the expenses needed to operate a local depot to support the commercial recycling program.

In response to a question from Morgan, Sinclair explained outsourced billing is more cost effective than in house billing.

Mark See, Public Works Director, summarized targeted residential water line upgrade projects. In response to questions, See and Sinclair described the water system project expenses. Members discussed the sewer and water rate increases. Members discussed the grant for the Little Pompey Wetlands project and the increase for "in kind work" expenses.

In response to a question from Morgan, Sinclair explained levy tax and revenue bonds. Mays noted that property taxes help fund the General, Roads and Debt Services funds.

In response to a question from Stevens, See explained the past ice storm expenses.

Sinclair reviewed the replacement, repair and reserve funds. Members discussed the advantages of converting City vehicles to electric. Members discussed the finance expenses and banking fees.

Mays described the waste water fund deficiency caused by the summer irrigation allotment. Members deliberated on the alternatives to rectify the waster water budget deficit and eliminating the allowance. Members considered the City's infrastructures and respective funds. Sinclair recapped the water and sewer rate increases to both residential and business customers from prior years. Members discussed the increases, resident complaints and long term affects.

Motion: Florer moved to recommend to the City Council to approve "Alternative C". Steidel seconded the motion.

Vote: Clyde, Stevens, Florer, Harris, Morgan, Giasson, Steidel, and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passed unanimously.

Members discussed the \$.35 water rate increase.

Motion: Cadwallader moved to increase the storm drain rate \$.35. Morgan seconded the motion.

Vote: Clyde, Stevens, Florer, Harris, Morgan, Giasson, Steidel, and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passed unanimously.

Members discussed the parking space fee increase.

Motion: Morgan moved that the committee approve the parking space fee increase from \$101.20 to \$111.00. Steidel seconded the motion.

Vote: Clyde, Stevens, Florer, Harris, Morgan, Giasson, Steidel, and Cadwallader voted AYE; the vote was 8/0 in favor and the motion passed unanimously.

**(4) Good of the Order**

Members discussed Raskin's tsunami elevated building plan and the pertinence to the current City Hall building. Cadwallader recapped the Cannon Beach Elementary School property control issues. Members discussed the impact of the school dilemma. Members agreed to meet June 3, 2009 at 5:00 p.m.

ADJOURNMENT

The meeting was adjourned at 8:48 p.m.

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Colleen Waldhaus, Administrative Specialist

ATTEST:

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Sharon Clyde, Chair