

Dunes City Council ~ Budget Committee

March 5, 2025 ~ Immediately Following City Council Meeting

The meeting will adjourn not later than 9:00 pm. If agenda items are not completed, they will be addressed at the next scheduled meeting.



AGENDA

1. **Call to Order**..... Mayor Ed McGuire
2. **Roll Call** City Administrator
3. **Pledge of Allegiance to the Flag**..... Mayor Ed McGuire

4. **Consideration of the Agenda**..... **Action Item**

5. **Consideration of the Consent Agenda**..... **Action Item**
 - A. Budget Committee Meeting Minutes from May 7, 2024

5. **New Business**
 - A. Budget Committee Procedures
 - B. Budget Committee Training

10. **For the Good of the Order**

11. **Adjournment**



BUDGET COMMITTEE MEETING MINUTES

TUESDAY, MAY 7, 2024 AT 6:00 P.M.

City Hall ~ 82877 Spruce St., Westlake, OR 97493

The proceedings of the Dunes City Budget Committee are recorded and on file at Dunes City Hall. Upon approval by the Budget Committee, these minutes will be available online at:
www.dunescityhall.com.

1. CALL TO ORDER

Council President Susan Snow called the Budget Committee's May 7, 2024 Meeting to order at 6:00 pm.

2. ROLL CALL

Acting City Administrator Lila Timmons called the Roll.

Present: Council President Susan Snow, Councilor Chris Clemons, Councilor Joe Giammona, Councilor Richard Olson, Commissioner Gail Nichols and Richard Snow.

Absent and Excused: Councilor Tom Mallen, Councilor Melissa Stinson, and Mayor Ed McGuire

Also Present: Acting City Administrator Lila Timmons and various residents.

3. PLEDGE OF ALLEGIANCE

All who wished to participate stood for the Pledge of Allegiance.

4. APPROVAL OF THE AGENDA

Council President Susan Snow asked if there was a motion to approve the Agenda. Richard Snow made a motion to approve the Agenda. Commissioner Gail Nichols seconded the motion. The motion passed unanimously.

5. MINUTES OF THE APRIL 3, 2024 BUDGET COMMITTEE MEETING

Council President Susan Snow asked if there was a motion to approve the minutes from April 3rd. Councilor Joe Giammona made a motion to approve the April 3rd Budget Committee meeting minutes. Councilor Richard Olson seconded the motion. The motion passed unanimously.

6. REVIEW OF PROPOSED BUDGET AS PRESENTED

Dunes City Budget Committee Minutes ~ Draft

LT/2024_0507

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Council President Susan Snow stated that the committee would go over the budget that was presented last month. Councilor Joe Giammona stated that City Administrator Jamie Mills sent the Journal Entries and that they had been also sent in January. However, the Journal Entries do not match. Council President Susan Snow stated that for the time being, the committee will have to go with the budget that was submitted to the public and that a few minor changes are allowed. The budget can be amended. Richard Snow stated that it was important to make sure that all the line items are included and correct. Citizen Jeanne Jackson asked if the budget committee had received her sister's letter. Council President Susan Snow confirmed that the committee had received the letter. Council President Susan Snow confirmed that this is a one-year budget and that an amended budget will be mandatory once the numbers can be correctly determined as they go over page one of the budget. Councilor Joe Giammona asked why a starting number is estimated and not just zero. Council President Susan Snow stated a number must cover what the City thinks will come in as revenue. Council President Susan Snow asked about page 2. Councilor Joe Giammona asked about the training line. Council President Susan Snow stated that the City usually gets grants for training. Council President Susan Snow asked if there were any questions about page 3. Richard Snow asked about the empty lines. Council President Susan Snow said that the line was reported at zero because once a budget line is created it cannot be deleted. Council President Susan Snow stated that page 4, Building Codes Fund, should be zero at the end of the year. No questions so the committee went on to page 5. Council President Susan Snow stated that the last column was for $\frac{3}{4}$ of a year. Council President Susan Snow asked Lila Timmons about the proposed janitorial cost per year. It was determined that the budget would cover the janitorial costs. Council President Susan Snow confirmed that the two-year number was divided to get the annual apportionment from ODOT on page 6. Richard Olson stated a contract should be established between a contractor for Dunes City roads and the City. The committee spoke about how to get the roads in Dunes City fixed. Commissioner Gail Nichols asked how the City could get the resources needed to fix the roads. Richard Snow stated that we should seek out grants for road maintenance. Richard Snow further stated that it should be a top priority, and that the City has an obligation to take care of the roads. Council President Susan Snow went on to page 7. Councilor Richard Olson asked about the \$5,000 being spent but a budget of \$125,000. Council President Susan Snow stated that if you take care of your roads, it is much cheaper than letting them fail. Council President Susan Snow asked if there were any questions on page 8 or 9. Richard Snow states that this money could be used for the maintenance for the portage. Councilor Joe Giammona asked about row 8 for Parks and Rec. Council President Susan Snow stated that it was projected income. Councilor Richard Olson asked if line 7 is correct. Councilor Joe Giammona asked what RTMP stood for. Councilor Chris Clemons stated that it stood for Rural Tourism Marketing Program. Council President Susan Snow asked if anyone had a question on page 10. Councilor Joe Giammona asked about Recreational Asset Preservation on line 19. Council President Susan Snow asked if anyone had a question on page 11. Richard Snow stated that the Mayor had asked him to consult with City Administrator Jamie Mills and at the meeting no additional information was provided. Council President Susan Snow asked about line 11 and if the water usage fees should be zero. Richard Snow stated that the Water Fund, page 11, needs some analysis. Councilor Joe Giammona stated that he knew items have been mis-coded because it had happened to him. He plans to work with Lila Timmons to invoice for the Water Fund in June. The Budget Committee discussed fish screens. Council President Susan Snow asked if anyone had any questions on page 12. Councilor Richard Olson asked about what the

unappropriated ending fund balance. Council President Susan Snow answered that it is income that has come in to the City that has not been dedicated to an expense yet. Council President Susan Snow asked if anyone had any other questions about the budget at this time. There were none.

7. PUBLIC HEARING

Council President Susan Snow Closed the meeting at 7:17 pm and opened for the Public Hearing of the budget at 7:17 pm. She further stated that she would take questions by the public. Council President Susan Snow recognized Jeanne Jackson and asked her if she had any comments on the budget. Jeanne Jackson applauded the committee for asking questions on the budget. Jeanne Jackson stated that she and her sister were concerned about the budgets and that questions need to be asked. Due to this, Jeanne Jackson felt that the committee should not sign off on this budget. Council President Susan Snow closed the public hearing at 7:23 pm.

8. DISCUSSION, COMMENTS AND QUESTIONS FROM THE COMMITTEE

Council President Susan Snow stated that she was ready to entertain a motion to amend the budget. There were no amendments. Council President Susan Snow stated that she was ready to entertain a motion to adopt the budget and the refer it to the City Council for adoption. Richard Snow made a motion to adopt the budget and refer it to the City Council for adoption. Gail Nichols seconded the motion. The motion passed unanimously. It was noted that the committee did still have some concerns.

9. GOOD OF THE ORDER

There were none.

10. ADJOURNMENT

Commissioner Gail Nichols made a motion to adjourn. Richard Snow seconded the motion. The motion to adjourn the budget meeting passed unanimously. Council President Susan Snow adjourned the meeting at 7:25 pm.

APPROVED BY THE BUDGET COMMITTEE ON THE 5TH OF MARCH, 2025.

Edward McGuire, Mayor

ATTEST:

Lila Timmons, Acting City Administrator



Budget Committee Procedures

1. Robert's Rules to Govern Proceedings

Unless otherwise provided by law or modified by these rules, the procedure for Budget Committee meetings shall be governed by Robert's Rules of Order, Revised. The Budget Committee has an obligation to the citizens to be clear and simple in its procedures and in the consideration of the questions coming before it.

2. Agendas

- A. The City Administrator shall prepare an Agenda for every Budget Committee meeting. Agendas and information material for the meetings shall be distributed in a timely fashion, preceding the meeting.
- B. The order of business for all regular meetings of the Budget Committee shall be as follows. However, when it appears to be in the best interest of the public, the order of business may be changed for any single meeting by two-thirds vote of members present:

- 1. Call to Order
- 2. Roll Call
- 3. Pledge of Allegiance
- 4. New Business
- 5. Old Business
- 6. Adjournment

3. Schedule

Meetings shall start at 5:00 p.m., and shall adjourn no later than 6 p.m.

4. Officers

The officers of the Budget Committee shall be the Chairperson and the Vice Chairperson.

5. Presiding Officer

- A. The Budget Committee Chairperson shall be the presiding officer. In the absence of the Chairperson, the presiding officer shall be the Vice Chair.

In the event of the absence of both the Chairperson and the Vice Chair, and if where a quorum is present, the member with the most senior membership on the Budget Committee shall call the meeting to order, and the Budget Committee shall elect a Chair Pro Tem, who shall serve until the arrival of the Chairperson or the Vice-Chair, as the case may be.

- B. The Presiding Officer may move, second, and debate from the chair, subject only to such limitations of debate as are by these rules imposed on all members, and shall be deprived of any of the rights and privileges of a Budget Committee member by reason of acting as the Presiding Officer.

6. Public Testimony

- A. Time shall be allotted on each agenda for public testimony.
- B. The presiding officer shall invite the public to testify at the time(s) allotted. In order to allow time for everyone wishing to testify, the following time limits shall apply:

1. Individual testimony is limited to three minutes.
2. Groups shall select a spokesperson, whose testimony will be limited to five minutes.
3. After the spokesperson's presentation, the presiding officer will ask all of those in the group in the audience to indicate their support by a show of hands.
4. If other members of the same group have additional information, their testimony is limited to three minutes.

7. Department Review Presentations

- A. An overview of each fund will be presented by the City Administrator.
- B. The public is invited to testify on the fund's budget.
- C. The Budget Committee reviews and discusses the proposed budget; and
- D. Budget Committee closes review of the fund's budget.

8. Quorum

A quorum of the Budget Committee must be present to hold a meeting.

9. Voting

In order for a motion to be approved, a vote must receive a majority.

10. Substitute Motions

A substitute motion is a motion which proposes to replace a pending main motion in its entirety. If seconded, debate of the relative merits of the main motion and the substitute motion shall be in order. If approved, a substitute

motion shall stand as the main motion, and the original motion shall be deemed to have been rejected; if the substitute motion is rejected, vote shall proceed to the main motion.

11. Calling The Question

Any Budget Committee member may call for the question at any time. The Presiding Officer shall then ask whether any Committee member has further comments, and, if no Committee member requests the floor, vote shall be immediately taken.

12. Special Meetings

A special meeting of the Budget Committee may be called by the presiding officer, or upon the request of not less than a majority of the Budget Committee submitted in writing to the Presiding Officer, or upon majority vote of the City Council.

13. Budget Committee Minutes

- A. Minutes of all meetings shall be comprised of a “final action agenda” and a recording of the meeting in electronic form. Minutes shall be maintained in the Budget Office.
- B. The “final action agenda” shall contain the following information:
 - 1. The date, time, and place of the meeting or session;
 - 2. The names of the members recorded as either present or absent;
 - 3. Any motions, and amendments thereto, a record of all votes taken, and general description of all matters considered during the meeting.
- C. Approval of the minutes shall not require review of the electronic recording of the meeting or reading of the final action agenda in open meeting prior to approval. The final action agenda may be revised at any time by the City Administrator to correct spelling, numbering and other technical defects. Prior to approval, any member may request the amendment or correction of the final action agenda to accurately reflect the substance of any motion, amendment or matter considered during the prior meeting. If objection is made by any Committee member to such amendment or correction, the amendment or correction shall only be made upon majority vote of the Budget Committee.

14. Amendment Of Procedures

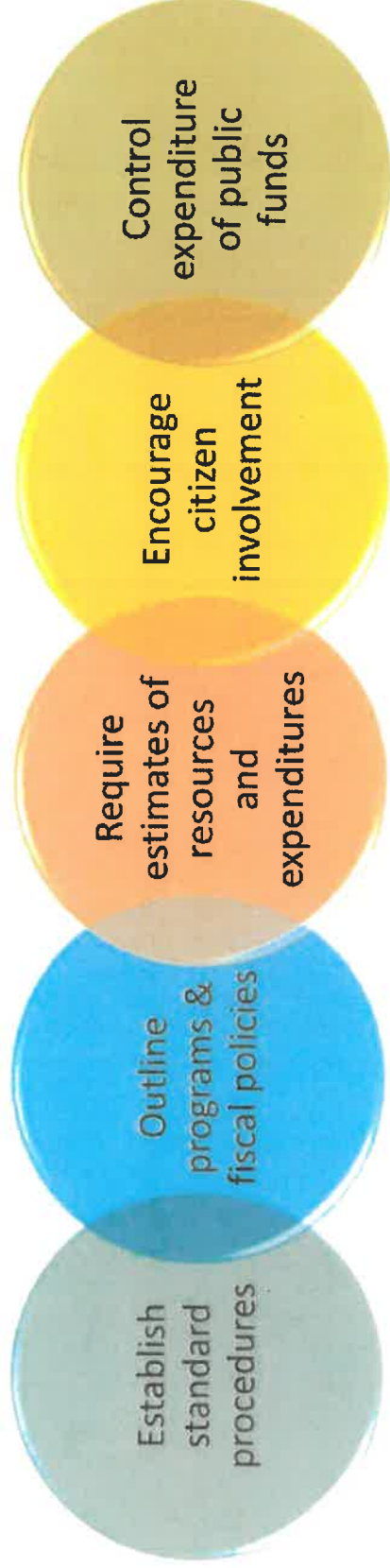
These procedures may be amended, or new procedures adopted, by a vote of at least a majority of the Budget Committee, provided that the proposed amendments or new procedures have been introduced into the record at a

prior Budget Committee meeting not less than six days prior to Budget Committee action on the proposed amendment or adoption.

Agenda

- Phase 1** Proposing the Budget
- Phase 2** Approving the Budget
- Phase 3** Adopting the Budget
- Phase 4** Changes After Adoption

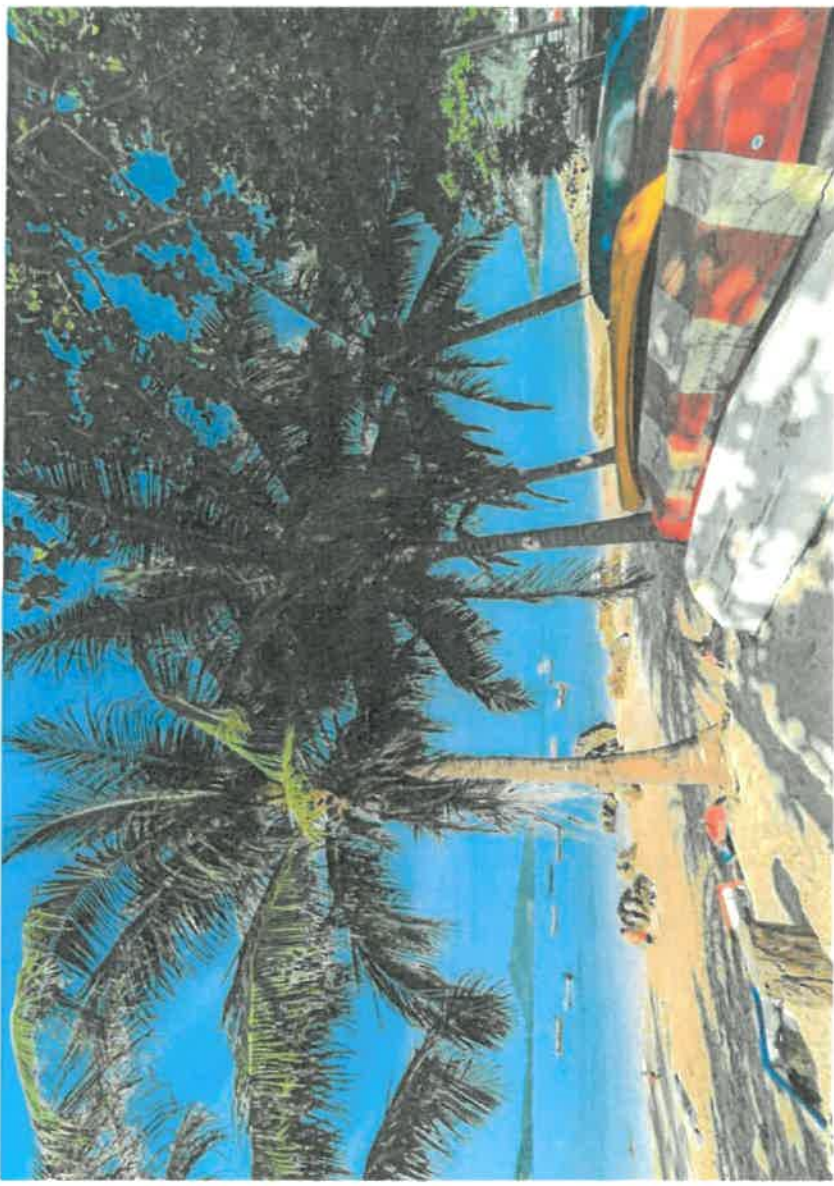
Purpose of Local Budget Law



The Budget Process



Phase 1 Budget Office Proposes the Budget



Prepare Proposed Budget

- Designate budget officer (Who can serve?)
- Budget Officer prepares budget under direction of Executive Officer or Governing Body



What is a budget?



A financial plan

For one fiscal year (July 1- June 30),
or biennial budget period (July 1, 2025 –
June 30, 2027)



Based on estimates of revenues
and expenditures and other
requirements

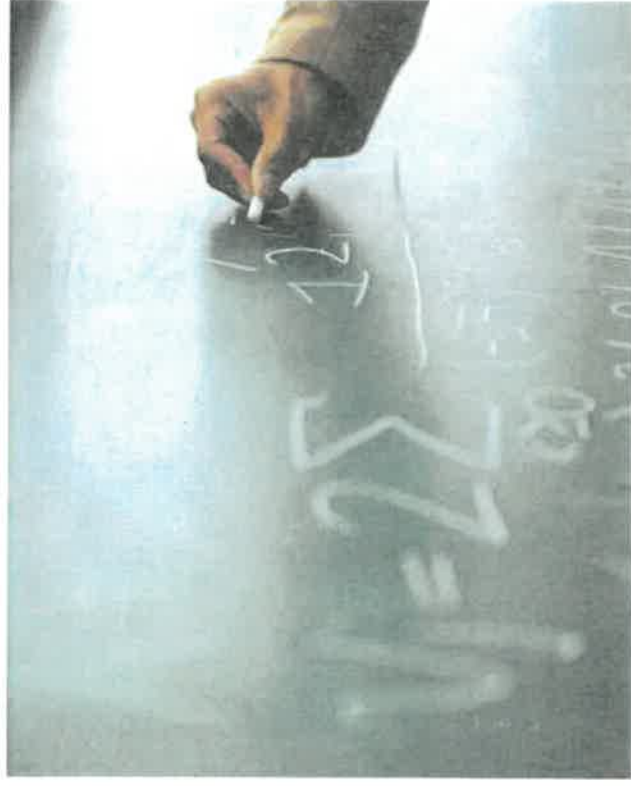


The budget is the basis for appropriations, which create the authority to spend public money



Budget is Prepared by Fund

- A self-balancing set of accounts
- Used to record estimated resources and requirements for specific activities and objectives



Types of Funds

General Fund

- Revenue from permanent rate, local option levy for operations, interest and other charges/fees received to cover general operations with no restrictions on how resources are used

Special Revenue Fund

- Dedicated to local option levy money, specific purpose grants, or other money required to be segregated by statute, charter, or terms

Capital Projects Fund

- Revenue from GO bonds proceeds, local option levy for capital projects, or grant monies to finance a capital project

Debt Service Fund

- Revenue comes from special property tax levy (such as Revenue Bonds or GO bonds) to budget for payment of principal and interest on long-term debt

Types of Funds(cont.)

Internal Services Fund

- Revenue from services provided from one department to another department
Example: Fleet Management

Enterprise Fund

- For revenue received in fees or charges used to cover expenses of a business type entity such as running a parking garage or pool

Trust and Agency Fund

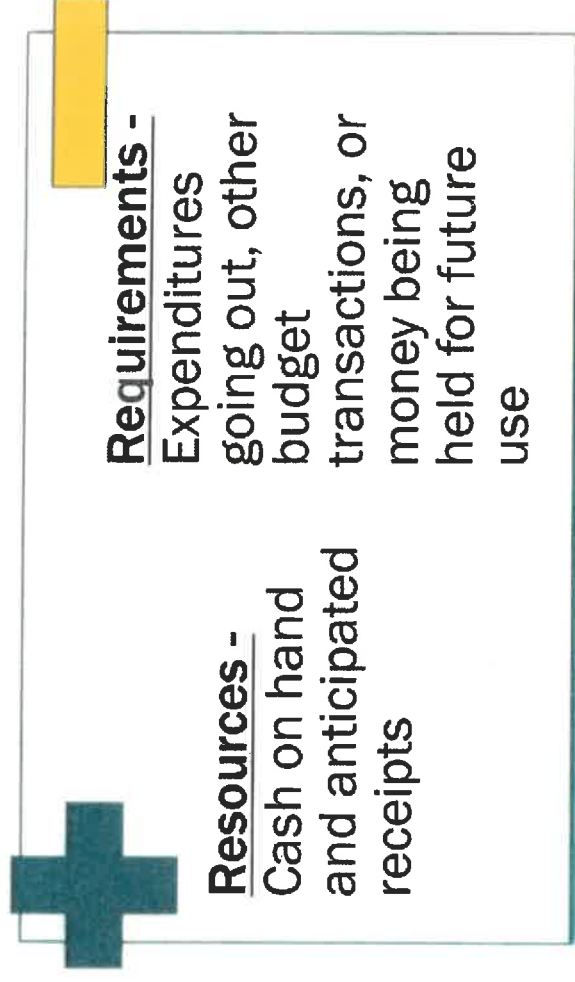
- Grants, gifts or transfers from general fund received in a fiduciary capacity to be used for a specified purpose

Reserve Fund

- Transfers from general funds or grants used to accumulate money for financing the cost of a service, project, property or equipment
Resolution required to create fund.

Estimate Resources and Requirements for Each Fund

- Estimate resources and requirements in line-item detail.
- **All** resources and requirements must be budgeted.
- Resources and requirements must balance.
- Estimates of resources and requirements must be made in “*good faith*.”






Resources vs. Requirements



Resources -
Cash on hand
and anticipated
receipts



Requirements -
Expenditures
going out, other
budget
transactions, or
money being
held for future
use

Object Classifications (Allocated)

Personnel Services

- Expenses related to employees
- Must include associated FTE

Materials and Services

Consumables and service expenses:

- Contract services
- Supplies
- Other operating expenses

Capital Outlay

- Items with useful life of a year or more

*****Always include line-item detail*****

Object Classifications (Not Allocated)

Interfund Transfers

Transfer of resources from one fund to another

All transfers out require a corresponding transfer in

Debt Service

The repayment of any loan, bond, or other borrowing

Special Payments

Pass-through payments, grants made to other organizations, or other one-time or unusual payments that do not fit into any other expenditure category

Object Classifications (Not Allocated)

Operating Contingency

Unidentified operating expenses

Only budgeted in operating fund

Reserved for Future Expenditure (RFE)

Saved for future spending

Unappropriated Ending Fund Balance (UEFB)

Carry-over for next year's budget to cover requirements prior to resources being available

Budget Requirements

	Object Classifications	Allocated or Not Allocated to an Organizational Unit or Program?
Requirements	Expenditures	Usually Allocated
	Personnel Services	
	Materials and Services	
	Capital Outlay	
	Special Payments	
	Debt Service	
	Transfers (out)	
	Operating Contingency	
	Reserved for Future Expenditure	
	Unappropriated Ending Fund Balance	
		Not Allocated

The Budget Process



Phase 1
Propose the budget

Phase 2
Approve the budget

Phase 3
Adopt the budget

Phase 4
Changes after adoption

Who's on the Budget Committee

**The Governing Body
+
an Equal Number of Appointed Electors**

Appointed Members

- “Electors” are registered voters in the district
- Cannot be officers, agents or employees
- Appointed for staggered three-year terms
- All members have the same authority
- If you can't fill all appointed positions, committee can be fewer

The Budget Process



Budget Committee's Meeting Process

- All meetings are subject to Public Meetings Law
- Presiding officer must be elected at first meeting
- Quorum is required to conduct business
- Majority of committee is required to take action
- Committee may request and receive additional information from district officials



What the Budget Committee Does

1. Receives the budget document
2. Hears the budget message
3. Hears and considers public comment
4. Discusses and revises the budget as needed
5. Approves the budget
6. Approves the property taxes



1: Receives the Budget Document

- Budget is a public document when released to the committee
- Available to the public at the same time as the committee
- Public has right to inspect
- Must provide means for public to copy (can also charge for copies)

2: The Budget Message

- Prepared by or under direction of executive officer
- Explains budget document
- Describes financial policies
- Explains any changes since last year
- Must be in writing
- Anyone can deliver it

ORS 294.403





3: Hear Public Comment

- On the date and time in the published notice
- Any person may ask questions about and comment on the budget ORS 294.426(4)(c)
- Can establish time limits and other policies for public comment period
- Add additional meetings if desired



4: Discuss and Revise the Budget

- Discuss and (if a majority feels necessary) revise the proposed budget.
- May reduce or increase the estimate of resources and requirements.
- May approve budget at first meeting or it may take several meetings.

May provide same notice as a regular meeting of governing body for additional meetings following the meeting at which budget message is read and public comment is heard





5: Approve the Budget

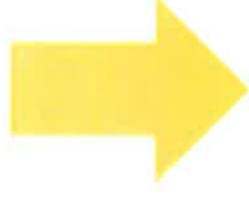


Sample Motion to Approve Budget:

“I move that the budget committee of the City of Sunny Shores approve the budget for the 2025-26 fiscal year in the amount of \$13,910,076.”

(motion and vote recorded in the minutes)

The Budget Process



Governing Body Holds Budget Hearing

- Hold the hearing on the date published, or rescheduled and publish a revised notice
- Hearing is on the budget “as approved” by budget committee
- Any person may comment on the budget



Changes After Budget Hearing

After the hearing, the governing body can change the budget estimates and tax levy approved by the budget committee.

However, if they want to:

- increase tax by any amount, OR increase expenditures in any fund by 10 percent or more (or \$5,000 – whichever is greater)

They must *republish* the amended budget summary and hold another budget hearing.



Budget Requirements

	Object Classifications	Allocated or Not Allocated to an Organizational Unit or Program?
Requirements	Expenditures	<p>Usually Allocated</p> <hr/> <p>Not Allocated</p>
	Personnel Services	
	Materials and Services	
	Capital Outlay	
	Special Payments	
	Debt Service	
	Transfers (out)	
	Operating Contingency	
	Reserved for Future Expenditure	
	Unappropriated Ending Fund Balance	

Resolutions

After the hearing and on or before June 30, the governing body must enact a resolution to:

1. Adopt the budget
2. Make Appropriations



1: Resolution Adopting the Budget



State the fiscal year or biennial budget period



State the total \$ amount of budget resources
(Be sure to include all resources and all funds)



Sample of Resolution Adopting
the Budget:

*“BE IT RESOLVED that the Board of Directors of
(district name) hereby adopts the budget for fiscal
year 2025-2026 in the total amount of \$XXXXX. This
budget is now on file at (address).”*

2: Resolution Making Appropriations Based on Organizational Units or Programs

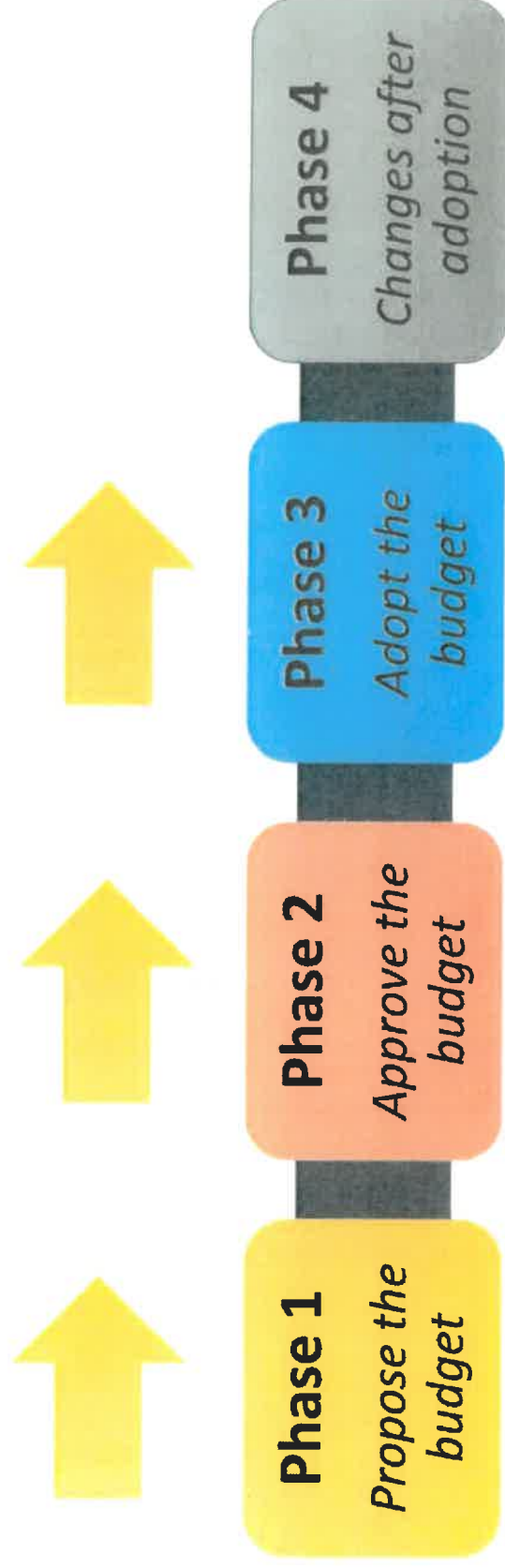
One amount for each Organizational Unit or Program.

Include only Personnel Services, Materials and Services, and Capital Outlay

Separate amounts for any:

- Personnel Services, Materials and Services, or Capital Outlay not allocated to an organizational unit or program
- Debt Service
- Special Payments
- Transfers
- Operating Contingency

The Budget Process



Changes to Budget After Adoption

- A budget is a plan based on estimates.
 - The budget provides the foundation for appropriations.
 - Appropriations are authority to spend public money.
- AND-**
- Appropriations are limitations on expenditures.

An Appropriation is a Limitation

**Do not overspend your
appropriations!**

ORS 294.456(6):

*Except as provided in . . . 294.471,
294.473 . . . an expenditure . . . of
public money may not be made
for any purpose in an amount
greater than the amount
appropriated.*



Make Changes to Appropriations Before Overspending

- The change must be in place **before** an over-expenditure is made
- Adopting a resolution or supplemental budget after an over-expenditure does not correct the violation of Local Budget Law

ORS 294.471(3)(c): Additional expenditures contained in a supplemental budget ... may not be made unless the governing body of the municipal corporation enacts appropriation ordinances or resolutions authorizing the expenditures.

Actions Possible after Adoption

Budget law provides several **LEGAL** ways to adjust your budget after adoption if your needs change, including:

- Appropriation transfer (*ORS 294.463*)
- Supplemental budget (*ORS 294.471 & 294.473*)
- Expenditures outside of budget law (*ORS 294.338*)
- Other fiscal tools:
 - Interfund loans (*ORS 294.468*)
 - Eliminate unnecessary fund (*ORS 294.353*)
 - Emergency authorizations (*ORS 294.481*)



Appropriation Transfers

- To move appropriations between existing categories within a fund or between two funds
- To transfer appropriations and resources from a fund to any other fund

Resolution *must state*:

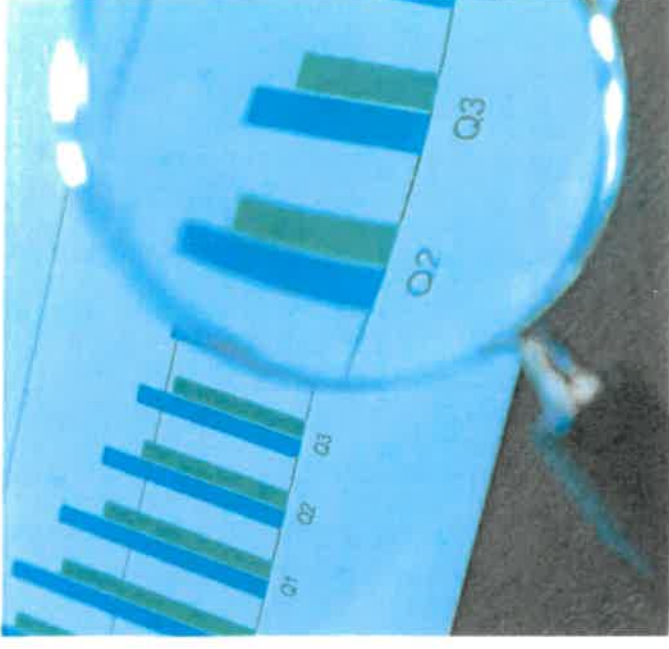
- Need for the transfer
- Purpose of the expenditure
- Amount transferred



ORS 294.463(1)

A Supplemental Budget

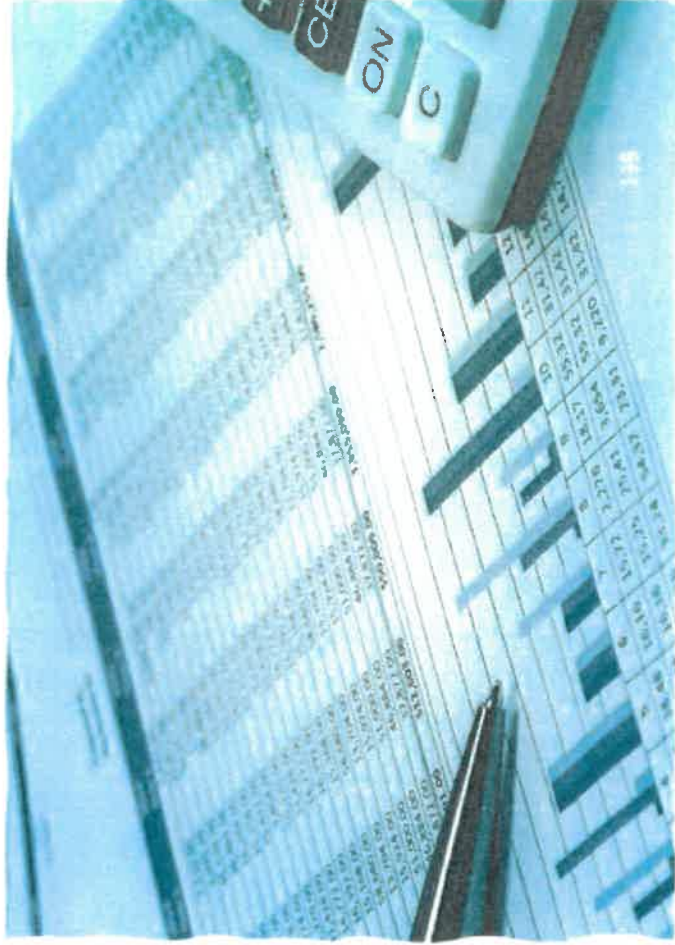
- Modifies the currently adopted budget
- Effective through the end of the fiscal year
- Used to:
 - Increase or decrease appropriations,
 - Create a new appropriation category, or
 - Create a new fund



Supplemental Budget Justification

- Occurrence or condition not known during the regular budget process
- Unforeseen pressing necessity requires prompt action
- Unanticipated money from federal, state or local government
- Request for services, to be paid for by others

ORS 294.471





Supplemental Budget Justification

- Destruction, involuntary conversion or sale requires immediate replacement
- More property taxes received than estimated
- Local Option approved in August election
- Add Debt Service when GO bonds are approved in May election

ORS 294.471