

**CITY OF MANZANITA  
MAY 13, 2020  
BUDGET COMMITTEE MEETING**

**CALL MEETING TO ORDER:**

The meeting was called to order by Dave Dillon at 4:00 pm via Zoom. Members present were Mike Scott, Linda Kozlowski, Hans Tonjes, Thomas Aschenbrener, Steve Nuttall, David Dillon, Jim Hickey, Jim Dopp, Chip Greening, and Kathryn Stock. Staff present: City Manager Cynthia Alamillo, Assistant City Manager Kristin Grassetth, Finance & Administrative Specialist Nina Jarvis, Police Chief Erik Harth, Public Works Director Dan Weitzel, and FCS Consultant Martin Chaw.

**There were 6 members of the public present.**

**ELECTION OF CHAIR & VICE-CHAIR FOR 2020/2021. A motion was made by Kozlowski, seconded by Hickey to nominate Dave Dillon for Chair of the Budget Committee and Chip Greening for Vice-Chair of the Budget Committee. Motion carried unanimously.**

**PRESENTATION OF BUDGET MESSAGE BY BUDGET OFFICER:** City Manager Cynthia Alamillo stated that this year's budget is reflective of the economic uncertainty due to COVID-19. Because we have yet to determine how much of an impact this will have on tourism, Alamillo is proposing a 30% decrease in Short-Term Rental Tax revenue. The use of contingency funds to supplement this potential decrease will allow the city to cover expenses, and to be prepared if revenues increase. The short-term rental tax revenue collected for tourism in the 2019/2020 fiscal year will be used to update the Visitors Center.

In addition, City staff will forgo their Cost of Living pay increase scheduled for July 2020. City Council will reevaluate this in December 2020 and decide if the Cost of Living pay increase will be implemented for the remainder of the year or eliminated. This year's budget is also reflective of a reallocation of the building official position. There are no large projects budgeted for this fiscal year and instead the focus will be on continuing to invest in technology. This will eliminate many of the time consuming, manual processes still used by staff. This year's budget is also reflective of the work from FCS Group who will work with the City throughout the year on budget allocation.

**OVERVIEW OF BUDGET BY BUDGET OFFICER AND DEPARTMENT HEADS:**

**GENERAL FUND** -City Manager Cynthia Alamillo reviewed the anticipated General Fund resources and explained the expenditures in Administration. The General Fund will see a 30% decrease in Short-Term Rental Tax revenue, as well as a decrease in Earned Interest revenue due to a drop in interest rates. The Building department has a proposed decrease in Contract Services to account for the full-time building official approved for the 20/21 fiscal year. The Court department has a small decrease in wages due to the FCS Group budget allocation study results.

Police Chief Harth went over the proposed Police budget which contains no major changes. There is a proposed increase in Materials and Services for a thermal imager, as well as an increase in data which will provide access to a dispatch and reporting system for officers.

Public Works Director Dan Weitzel went over the proposed Parks and Civic Reserve Funds. The Parks department will not be replacing the teeter totter previously budgeted and will instead roll this over into the 20/21 budget to help fund a new playground structure. The Civic Reserve has a proposed decrease in the Road Fund due to a corresponding decrease in Short-Term Rental tax revenue.

The Committee reviewed each department's expenditures in the General Fund. No changes were proposed. The committee requested more information on how the 30% decrease in Short-Term Rental tax revenue was calculated, as well as more information on the increase in Payroll Benefits and Expenses for the Parks department.

**ENTERPRISE FUNDS** - Public Works Director Dan Weitzel and City Manager Cynthia Alamillo went over the Water Fund and Water Construction Fund with the Committee. The Water department has a proposed increase in Building Maintenance to address small projects needed at the Public Works facility, as well as an increase in System Maintenance to fund the replacement of the generator at the well site. There are no major projects planned for the Water department this fiscal year. The Well Field and Transmission Lines fund has a proposed decrease in Operations due to the efficiency in the new CO<sub>2</sub> line, and an increase in Maintenance and Supplies due to the replacement of the dial-up internet service. The Water Construction Fund has a proposed decrease in Earned Interest due to the drop in interest rates.

No changes were proposed.

The meeting was adjourned at 6:05 PM. Special Funds and Capital Projects will be reviewed May 18, 2020 4:00 pm Budget Committee meeting. The public hearing meeting is scheduled for May 19, 2020 at 7 pm.

**MINUTES APPROVED THIS  
3<sup>th</sup> Day of June, 2020**

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Mike Scott, Mayor

**ATTEST:**

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Dave Dillon, Budget Committee Chair

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Cynthia Alamillo, City Manager/Recorder