

CITY OF GEARHART
Budget Committee Meeting
Tuesday, May 14, 2024
6:00 pm On-site and Virtual/Telephonic

A budget committee meeting of the Gearhart Budget Committee was held Tuesday, May 14, 2024. Budget Committee members, City staff, and the public were able to attend on-site, virtually, or by dialing in on a telephone.

Present were Mayor Kerry Smith, Councilor Preston Devereaux, Councilor Reita Fackerell, Councilor Dana Gould, Councilor Sharon Kloepfer, Budget Member Paulina Cockrum, Budget Member Jennifer Grey, Budget Member Eric Halperin, Budget Member Robert Lee, Budget Member Curt Penrod, City Administrator Chad Sweet, Police Chief Josh Gregory, Fire Chief Josh Como, Division Chief of Training & Operations Andi Park, Executive Assistant Krysti Ficker, and City Treasurer/Budget Officer Justine Hill. A quorum of the Budget Committee was present.

Budget Chair Cockrum called the budget meeting of the Budget Committee to order at 6:00 pm.

There were no conflicts of interest declared by any member of the Budget Committee. Budget Member Fackerell, Budget Member Halperin, and Budget Member Kloepfer stated that they were affiliated with organizations on the State Revenue Sharing grant application list; however, there was no conflict of interest.

There was discussion on the agenda item of approving the Tuesday, April 16, 2024 Budget Committee minutes. The minutes were sent out electronically and were unable to be adequately reviewed for approval at the meeting. As the Secretary (Recorder), Budget Member Grey did acknowledge reviewing and commenting on the minutes, which she went over with Budget Officer Hill prior to the meeting.

- ON MOTION by Budget Member Smith, 2nd by Budget Member Gould to table the approval of the minutes and have them go to the regular City Council meeting for approval on June 5, 2024, MOTION was approved 10 yeas (Devereaux, Fackerell, Gould, Kloepfer, Smith, Cockrum, Grey, Halperin, Lee, Penrod) - 0 nays.

Budget Chair Cockrum called to open the public hearing regarding State Revenue Sharing for the City of Gearhart fiscal year 2024-2025 to consider possible funding options. There were no objections to the Budget Committee hearing the topic. There were no Budget Committee members who felt they had a conflict of interest (volunteerism acknowledged earlier). There was no correspondence submitted.

Budget Chair Cockrum called for public testimony.

- Proponents:
 - Yana Ludwig, Executive Director, North Coast Food Web talked about the success of this last year (outreach, food box pilot program, local foods). She emphasized the importance of local farmers/growers and how essential they are in situations where food supply routes are cut-off. She explained that any grant award funds would be increasing their food entrepreneur technical assistance and business incubation programming. There was discussion on owning a facility (currently renters); access for farmers and ranchers (North Coast online market, commercial kitchen, technical assistance); salary overhead (eight employees); fee structure (technical assistance free, educational assistance free, incubation services is on a sliding scale); donation to food pantries (sale to food pantries, give free food boxes to senior center, build partnerships that serve low-income); and non-profit status (confirmed 501(3)c not LLC).
 - George Mareina, President, St Vincent de Paul Our Lady of Victory Conference, located at the North Coast Plaza. He went over some statistical service information. He said that due to higher demand for pantry service and increased food costs, they were requesting funds from Gearhart. There was discussion on how people find their organization (other food banks, word of mouth) and if they receive donations (Safeway and Costco).
 - Sandy, Seaside Hall, aka the Little Yellow House gave some statistical data on addiction and impacts since Measure 110. She explained that their organization provides a safe, comfortable, supportive space for four different recovery groups for all residents and visitors of Clatsop County. She mentioned that Gearhart does not currently offer this service within its boundaries, but everyone is welcome in Seaside. They are requesting funds to replace flooring and repair any subfloor issues to prevent tripping hazards and remain good stewards of the facility. There was discussion on grant income (only report guaranteed income on budget, not grant income).
 - Kassia Nye, Development Director, North Coast Land Conservancy, explained they are a non-profit land trust working to conserve important lands and waters on Oregon's north coast. They feel that the Neacoxie corridor is a special place, and they are requesting funds for the rehabilitation of critical riverine and coastal prairie habitat including invasive species management (english ivy, holly, scotch broom) and native pollinator plantings. They have a robust volunteer staff and a regular staff of 15. There was discussion on their involvement with the US Fish & Wildlife (referenced collaboration on the Saddle Mountain butterfly project); clarification on the focus of improving the Neacoxie (removal of invasive species which creates space for native plants and animals); and suggestion of expanding community outreach (newsletter, free walks, volunteerism, purpose of new coordinator position).

- Linda Wyss, President, Trail's End Art Association (TEAA), explained they provide educational opportunities in the visual arts, to foster creation of original art in all media, and to enhance the enjoyment of art in the community. She said that they have 63 members, who are all volunteers. They have requested funds to assist in purchasing a large screen television, which would be zoom compatible. They feel that online access would provide an educational outlet for bringing national artist workshops to Gearhart. She mentioned they receive income from membership dues and workshop fees. Next year will be their 75th year, with 73 of them in Gearhart!
 - Darren Gooch, Sunset Park & Recreation Foundation, gave a thank you for last year's award and a brief update on the project of installing diving blocks. He explained that this year the award would directly benefit Gearhart residents through the scholarship program. He went over a scholarship breakdown by program area. He mentioned the largest allocation is for youth programs, which is designed to provide safe, affordable childcare. They have expanded their childcare program to include infants and toddlers. There was discussion on eligibility (use USDA guidelines); Gearhart participation (about 15%); and clarification on passes (swimming, fitness room, youth programs, and seniors on fixed income).
 - Darren Gooch, South County Community Food Bank, went over some food pantry resources and distribution statistical data. He talked about the success of the project last year and explained that funds this year would allow them to continue providing much needed food to the local community. There was discussion about operating in a deficit (savings to compensate); who is being served at facility (USDA guidelines for low-income but no documentation required, any individuals and families that are food insecure); homeless outreach (welcome at facility, community service officer); clarification on relationships with other local food banks (partnering agencies, CCA umbrella, collaborative agencies, work in tandem); availability (box of food provided once a month); service to small shelters being placed behind facility (no special service except what is already offered to everyone else); and impact of staffing/labor (one part-time person, invaluable to the program).
- Opponents. There were no opponents.
 - Call for Questions. There were no additional questions.

Budget Chair Cockrum closed the public hearing regarding State Revenue Sharing for the City of Gearhart.

Budget Chair Cockrum opened public comment on the proposed budget programs and services.

- Budget Member Halperin thanked the State Revenue Sharing applicants for their presentations.
- Hearing no further comments, the public comment section was closed.

Budget Chair Cockrum opened discussion for the budget committee on proposed programs and services. With State Revenue Sharing presentations freshly on the mind, Budget Chair Cochrum wanted to start with the allocations of the grant donations.

- Mayor Smith requested an increase to \$2,500 in the Mayor's Emergency Grant to primarily allow assistance with any homeless emergency situation.
- There was a brief discussion on approaches to allocations. A spreadsheet was made visible in the Council Chambers to track allocation amounts.
- Through consensus, the Budget Committee Members decided on the appropriation of \$48,210.00 in State Revenue Sharing grant awards, which will be broken down in the approved State Revenue Sharing section of the budget.
- There was a recommendation made by Budget Chair Cockrum to consider moving the account Celebrations & Materials & Services to the General Fund budget.

Budget Chair Cockrum asked Budget Members if they had any additional questions. Budget Member Lee requested clarification on the Bench Program Fund (new program, new Fund for transparency/tracking). Budget Member Grey requested clarification on the decrease in the Parks Department account (reduction due to the completion of specific projects), any specific projects planned in the State Street Fund (no specific project, appropriations for projects that may come up), and concerns over adequate allocations in Building Reserve Fund to meet public safety facility project costs (estimates for a longer period, budget cycle for 12 months, expenses likely pushed into the next budget cycle). Councilor Kloepfer was interested in the financial stability of the City (revenues moving at a slower pace than expenditures, cautionary period, exploration of other revenue streams).

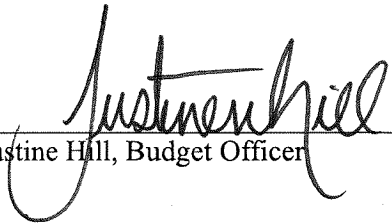
Budget Officer Hill clarified a few additional budget items that had been brought to her attention since the last Budget Meeting. She talked about a concern over the decrease in the Planning Department Purchased Service - Planning Consultant account. This was an item discussed during budget preparations and City staff feel it should be adequate. She mentioned the agreement with Clatsop County Sheriff's Office, which provides dedicated contracted services to the City. She briefly discussed the rate of expenditures outpacing revenues. Gearhart has been slow and steady in terms of revenue growth, which have been historically able to meet financial obligations; however, as Gearhart grows and tries to meet increased public safety requirements, maintain aging infrastructure, strives to improve parks and protect public spaces, enhances streets, and tries to recruit and retain staff, it will be facing a financial crossroads. When expenditures outpace revenues, reductions usually occur. Budget Officer Hill also mentioned the Water (Operating) Fund and financial stability. The Fund was in desperate need of increased revenue. Water rate increases had not been implemented since 2014, yet expenditures steadily increased, which put the City in a revenue "catch-up" scenario. This year with a rate increase and a transfer from

the Water Reserve Fund, it will be stable; however, with increases in labor costs, materials and supplies, services, supply chain will need continued support.

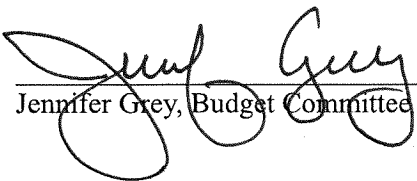
The recommended action of the Budget Committee was to approve the 2024-2025 Budget.

- ON MOTION by Budget Member Grey, 2nd by Budget Member Kloepfer that the Gearhart Budget Committee approve the 2024-2025 Budget in the amount of \$8,522,465.50, which includes a permanent tax rate limit levy of \$1.0053 per thousand of assessed value and general obligation debt service; as well as, approval of the Gearhart Road District proposed 2024-2025 Budget in the amount of \$332,655.00 with a permanent tax rate limit levy \$0.0602 per thousand of assessed value. , MOTION was approved 10 yeas (Devereaux, Fackerell, Gould, Kloepfer, Smith, Cockrum, Grey, Halperin, Lee, Penrod) - 0 nays.

Hearing no further questions, the Budget Committee meeting was adjourned at 8:23 pm.



Justine Hill, Budget Officer



Jennifer Grey, Budget Committee Secretary (Recorder)