



**MINUTES
DEVILS LAKE WATER IMPROVEMENT DISTRICT
BUDGET MEETING**

LINCOLN CITY COUNCIL CHAMBERS

**May 9, 2014
10:00 A.M.**

BUDGET COMMITTEE:

MEMBER	POSITION	TERM
Brian Green (absent)	Board Chair	Board Term
David Skirvin	Board Vice Chair	Board Term
Randy Weldon	Secretary/Treasurer	Board Term
Kent Norris	Board Member	Board Term
Kip Ward	Board Member	Board Term
Susan Wahlke	Position 1	Dec. 31, 2016
Ed Willette	Position 2	Dec. 31, 2015
Robert Landhuis	Position 3	Dec. 31, 2016
Douglas Holbrook	Position 4	Dec. 31, 2016
Mitchell Moore	Position 5	Dec. 31, 2015

A video of this meeting is available online here:

http://lincolncityor.iqm2.com/Citizens/Detail_Meeting.aspx?ID=1380

BUDGET OFFICER: Paul Robertson, Lake Manager

Kip Ward was nominated to be Budget Committee chair. Ward declined.

Ward nominated Skirvin to be Budget Committee chair. The nomination was seconded. No other nominations were offered. Unanimous voice vote in favor.

Skirvin nominated Mitch Moore to be Budget Committee vice chair. The nomination was seconded. No other nominations were offered. Unanimous voice vote in favor.

BUDGET PRESENTATION

The recommended budget, including budget history and current priorities, is available on the Devils Lake Water Improvement District website at: <http://www.dlwid.org/Financials/2014->

[2015/Budget_2014-2015_BC-Merged.pdf](#). The budget as recommended by the budget committee is scheduled for a hearing and adoption by the board on June 12.

ROBERTSON: Reviewed budget process and goals. Tax base includes every property in the lake watershed, including all of Lincoln City. Noted major difference in budget this year is focus on harmful algal blooms. Reviewed general fund history. District's net assets include about \$40,000 to \$50,000 set aside each year.

Long range forecast: stable funding with about 3% annual growth expected, has averaged 4.5% over the last 12 years. In addition to DLWID tax revenue, additional \$20,000 expected from underlevy of Urban Renewal District.

Upcoming year: General fund increase in funding; level services; increased contingency.

Improvement fund: Modeling and monitoring; HABs project; vegetation management (grass carp); sewer; East Devils Lake Road flooding; Save Our Shoreline; educational video; fish and wildlife; recreation.

General Fund Resources: \$371,527.

Net Working Capital: \$40,812.

Requirements: \$371,527 (materials and services, personnel, capital outlay, debt service, transfers and contingencies, improvement fund)

Largest portion of General Fund is for materials and services (\$105,686), including:

- addition of a water quality monitor (8 hours a month to supplement year-round monitoring);
- equipment, mostly related to boat storage and maintenance;
- property liability insurance bumped up to anticipate aeration project;
- lake level management (for contractor who installs dam and other work; dredging D River);
- water monitoring (includes HABs, DNA-source tracking, *E. coli* monitoring);
- erosion and sediment, nutrient control, vegetation management (nominal placeholders, if needed);
- office operation (significant amount for information technology, printers, rent (\$370 less per month than previous site));
- public outreach (Lake Steward award; publications; Devils Lake Revival; signs)
- training, education
- transportation (setting aside money for eventual down payment for replacement truck)

Debt service: \$30,000 (if district borrows money for significant HABs control, we could afford this for debt service)

Improvement fund: \$761,706 (combined reserve funds for vegetation management, erosion control, nutrient control); includes:

- Existing reserve (\$294,647)
- Transfer from general fund (\$40,812)
- Unsecured grants, (estimated \$25,000)
- Potential loan (\$400,000, not active, but included as contingency)

Projects:

- Lake monitoring and modeling (\$79,135)
- HABs management project (significant project would require a loan; specific details not yet formulated, although several ideas have been eliminated)
- Vegetation management (ongoing, significant decrease from last year)
- Sewer (contracting for environmental review to supplement city (\$30,000); incentive grants for people who hook up to sewers (\$30,000))
- East Devils Lake Road
- Save Our Shoreline (\$15,000, includes increase over last year for more planting; partnership with Northwest Oregon Restoration Project, which grows plants and provides them to watershed managers)
- Educational video (\$3,000)
- Fish and wildlife (fish rescue contract up to \$10,000; raised roadbed has alleviated much flooding; could move \$10,000 to SDCWC for watershed restoration grant)
- Recreation (\$35,000, includes \$25,000 Lincoln City Visitors and Convention Bureau grant, \$15,000 billboard proposal)

COMMITTEE REVIEW

SKIRVIN: Asked for comments.

MOORE: General comment, budget very easy to follow; recommended making comments less specific to give board and manager more flexibility through the year.

SKIRVIN: Agreed, language gives people an idea of where the money is going, but be less specific rather than lock in to certain programs (for example, don't want to be locked in to a water trail if something fun comes up through the year).

MOORE: Asked about basis of water-quality assistant estimate.

ROBERTSON: \$15-\$20 an hour for an assistant, provide flexibility for year-round monitoring.

MOORE: Are the insurance estimates based on recent conversations with agent?

ROBERTSON: Discussed with agent a few weeks ago, new estimates needed, includes directors and officers.

MOORE: Training could be expanded, could include training to develop public outreach activities to help people understand SOS, fertilizer use, aeration.

SKIRVIN: Why is the billboard included under recreation instead of outreach?

WARD: Would like to see outreach budget bumped up considerably.

ROBERTSON: Could come from the contingency fund, but not the improvement fund, which is likely to be used for aeration power.

WARD: Our issues are difficult to understand, educated public makes better decisions.

ROBERTSON: Ongoing need for outreach; new people always coming to town and the lake.

WELDON: What percentage of taxpayers pay online and do not get information through the mail?

Skirvin moved to increase public relations budget item from \$19,960 to \$40,000.

ROBERTSON: Where would you pull that \$11,000? Recommend contingency as loosely available; normally, you want 15% of available funds in contingency.

HOLBROOK: Asked about budget line for staff training versus public education (Page 40).

Skirvin moved to increase the public relations budget item from \$19,960 to \$25,000, moving the difference from the contingency item in the general fund. Moore seconded. Unanimous voice vote in favor.

MOORE: Regarding debt service (Page 16), the \$400,000 figure was based on a prospective real estate transaction, which is far different from borrowing for capital outlay for a project; would be a good idea to talk to a bank and find out what the rate would be to borrow for capital outlay as opposed to a secured claim; the bank will want a 5-year projection on revenues. Is the estimate for HABs for a trial project or for the entire lake?

ROBERTSON: Potentially, for aeration of the entire lake. Regarding outreach training, what would that be for?

MOORE: It's up to you to decide.

NORRIS: Could use facilitator training if we go to quarterly work sessions.

ROBERTSON: Suggested putting training at \$1,000 instead of \$500.

Moore moved that the training budget be increased to \$1,000, moving \$500 from the current contingency item. Skirvin second, Unanimous voice vote in favor.

SKIRVIN: Any materials and services comments?

MOORE: Asked about funding for erosion control, related to lake level.

SKIRVIN: Could have a broader bucket, possibly including bioswales for erosion control.

SKIRVIN: Any comments on reserve fund (Page 21)?

MOORE: Proposed holding a workshop on Save Our Shoreline. On the sewer project, is there a way to redirect the engineering funding now earmarked for the city to support the sewer project? You're giving a grant to the city and is that the best use of funds? Asked about grants to support septic inspection and sewers. Regarding salmon rescue, he likes seeing money go to creek restoration, maybe for cleanout work around culverts.

Committee and manager discussed sewer project.

MOORE: How much would a pilot aeration project impact the budget?

ROBERTSON: A phased pilot project might cost about a third of the total project. That's an unguided estimate. A bigger question would be: does a pilot project produce a false negative? If it looks like your project had great results, that could be a false positive. If you do a project and it seems like it didn't work, that might be because the pilot wasn't big enough. That could be a false negative.

Skirvin invited public comment from the audience. There was none.

ROBERTSON: Asked for appropriation from reserve for potential HABs project.

Moore moved to transfer \$82,354 from the reserve for future expenditure to the materials and services budget for watershed protection. Holbrook seconded. Unanimous voice vote in favor.

Skirvin moved to put forth the budget to the Devils Lake Water Improvement District as amended by this committee. Holbrook seconded. Unanimous in favor.

The Budget Committee meeting adjourned at 12:04 p.m.

Respectfully submitted,
Rick Mark