

Budget Committee Members present were Sue Fry, Mike Grover and Jim Leckron plus Water Board Commissioners Robert Colclessner, Jeff Grover, Jim Mastne, Joe Riehl, and Henry Schwartz. Staff members, Randy Stark, Jan Leckron, Supt. Marc Caldwell and Dist. Clerk Carol Quinn, and RFPD #14 Chief Tom Layton were also present.

The Budget Committee meeting was called to order at 8:35 p.m. Two Budget Committee members, Delbert Riehl and Chuck Herndon, were unable to attend. Nominations were opened for Chairman. Mr. Mastne nominated Jeff Grover. Sue Fry seconded. There were no other nominations. Jeff Grover was elected Chairman. Several members of the committee commented about how well done and easy the Budget Message was to read.. Randy Stark did an excellent job of preparing the message.

There was some discussion regarding establishing a plan for installing hydrants on a regular basis and in cooperation with the Fire Department. Fire hydrants cost approximately \$1000 to \$1500 each. At this time no money has been allocated for this specific purpose. Current Water District policy has required that individuals purchase the hydrant and staff would install it. If fire hydrants are going to be installed on a regular basis as part of policy, that should probably

be part of the budget proposal. Mr. Layton expressed his opinion that the Fire Department would be delighted to have hydrants placed on water lines when the Water District replaces or installs new lines. This would be the most cost-effective time to add a hydrant to an area. They do not have a specific list of priority areas that should have hydrants. However, full-service hydrants would benefit the community in most any area they would be placed. Mike Grover moved the Capital Outlay - System Improvement /Line Replacement funding be reduced by \$2,783 to \$68,000, and that the \$2,783 be placed in Fire Hydrants. Sue Fry seconded the motion. Passed unanimously.

There was some discussion of where operating revenue comes from and how it can be increased. As far as raising additional funds, the Board can raise rates or add a surcharge without a vote of the people. The Budget Proposal called for raising rates to bring in additional money to be used for building a new reservoir. A main focus of this year's budget is to allocate funds towards the building of a new reservoir. The District must decide which is most cost effective - to borrow funds with a low interest loan or continue to save money and not go in debt. If construction costs continue to increase, it may cost more to wait than it would cost in interest on a loan.

Mr. Leckron reminded the committee that he had relatives working for the Water District so he wanted everyone to be aware that there could be a conflict of interest on some issues.

There was considerable discussion regarding the proposed salaries in the Personnel Services. Previously the District had used a salary schedule prepared some years ago with wage scales and step increases. With the uncertainty of whom and how many people will be working for the Water District in the next budget year, the Budget Officer proposed a new schedule. There were 5% increases in position steps on the old schedule. Mr. Grover moved that the Superintendent's salary be changed from \$44,113 to \$37,000 with the difference of \$7,113 to be placed in the contingency of the General Fund. Mr. Mastne seconded. The motion passed with Mr. Leckron abstaining..

Mr. Riehl moved that the salary of the Water Treatment Plant Operator be adjusted from the proposed \$39,177 to \$35,401 which reflects a 5% step increase and a 2% COL raise from last year for a total of 7% with the difference of \$3,776 being placed in the Utility Worker I position. Mr. Mastne seconded. The motion passed with Mr. Leckron abstaining.

Mr. Riehl moved that District Clerk position salary be adjusted from the proposed \$19,588 to \$17,881 with the difference of \$1,708 being placed in the Utility Worker I category . This matches the 7% increase from last year that the previous position was adjusted. Mr. Mastne seconded. The motion passed with Mr. Leckron and Mike Grover abstaining. During this time there was some discussion of the possibility of staff needing additional training and perhaps more money should be placed in the education funding.

Mr. Mastne moved that the Utility Worker II position salary be adjusted to increase 7% over last year as had the others from the proposed \$34,984 to \$31,440 with the difference of \$3,544 going into the education fund. Mike Grover seconded. There was some discussion of where the funds would come from if in fact the Utility Worker I position needed funding. Some could come from contingency, some from unneeded temporary help, some from what has been transferred into that line position . The motion passed with Mr. Leckron abstaining.

There was discussion of the Office Assistant Position's salary. There is no health insurance benefit coverage for the Office Assistant or the District Clerk. This is a quarter time position that has vacation and sick benefits paid at quarter time as well. Mr. Mastne moved that the Office Assistant salary be adjusted to reflect the same 7% increase as the other positions were over last year wages from \$6,999 to \$5,620 with the difference of \$1,379 being placed in the education fund. Mike Grover seconded. The motion passed with Mr. Leckron abstaining and Mike Grover opposed .

There was further discussion concerning the other line item proposals in the budget but no additional changes were made. Mike Grover moved that the Budget Proposal be approved with the changes made with the tax base based on the permanent tax rate as established by Multnomah County. Sue Fry seconded. Mr. Riehl amended the motion by proposing to table Mr. Grover's motion until next month to give the Budget Committee additional time to study and review the proposal before making a decision. Mr. Colclessor seconded the amendment. The amended motion passed with Joe Riehl, Jim Mastne, Bob Colclessor, and Henry Schwartz voting in favor, Mike Grover opposed, and Sue Fry and Jim Leckron abstaining.

Jim Mastne moved that the Budget Committee be adjourned. Mike Grover seconded. Passed unanimously.

The regular monthly Water Board meeting was reconvened. Mr. Caldwell presented his monthly report.

Mr. Mastne moved that the bills be paid. Mr. Riehl seconded. Passed unanimously.

The meeting was adjourned at 11:30 p.m.