

# CORBETT WATER DISTRICT

## APPROVED MINUTES

Budget Meeting: 6:00 P.M.

Wednesday, March 22<sup>nd</sup>, 2006  
Corbett, Oregon

**Commissioners Present:** Malcolm Freund, Robert Gaughan, Bob Colclessor, and Marion Kirkham.

Committee Members Present: Dave Mysinger, Barb Adams, Barb Strasbaugh, and Sue Fry.

Also present were District Manager Frank Sterzinar and District Clerk Jamie Simms.

**Audience Members Present:** None.

Budget Committee Chairman Mysinger called the budget meeting to order at 6:05 p.m. at the Corbett Fire Hall.

Frank estimated the average cost of a new ¾" meter install to be \$3,400. This amount is below the industry standard. He did some comparative checking and the City of Gresham charges their customers \$87,000 for a 2' service, while the District charged \$5,600.

Barb Adams asked about businesses charging a system development fee. Frank said the State now required a system development fee because they want Districts to sustain themselves. Charges are already written into the District's ordinance. The ordinance states the fee as a percentage, with the percentage being decided upon by a Board Resolution. Barb Adams believed that a system development charge for the District needed to be based on the upgrade of the entire water system. Frank estimated that \$1,000 per each new ¾" meter install would be designated to system developments. Barb Adams questioned if the amount could be higher. Frank said it was up to the Board and budget committee.

Malcolm Freund wanted to discuss the option of including an additional \$600,000 in the budget for the increase funds in the State Revolving Loan. The Board, at a prior meeting had approved a letter to be sent to the Oregon Economic Conservation Development Department (OECDD) asking for \$600,000 additional funds as a reimbursement. If the money is to be used in the next budget year it must be placed in the budget now. The committee came to a general agreement to go ahead and put the full \$600,000 of these funds into system improvements, although it was the understanding of the committee that this amount could decrease.

Barb Adams would like to see a list of projects that would be funded with the \$600,000 and a date for when each project would be completed. Frank will work on Barb's request.

Malcolm Freund said the annual payment to the loan would be \$145,223, including the repayment of the additional \$600,000. Frank said the reservoir rate surcharge was for \$145,280.

Barb Adams questioned how much money was designated for Capital Improvements in a typical year. About \$200,000 is designated every year for Improvements to the water system.

The committee decided to start at page one of the budget document and review each page individually once again.

Frank said the tax estimate proposed by the budget officer had changed slightly to reflect new information. The net affect, was an increase in revenue by \$5,217.

Barb Adams asked about the increase in service connection fees. Frank said the budget for new service installation reflected the new fee schedule.

Barb Adams asked if the 25% reservoir rate surcharge had reduced Water Sales. Frank said the Water Sales shown had been decreased by the reservoir rate surcharge, and that amount could be found in the loan repayment fund.

Robert Gaughan asked if employee raises had been included under Personnel Services. Frank said the proposed by budget officer numbers reflected employee raises for the next fiscal year. Marion Kirkham would like to see Frank's wage increased to \$46,000. Those present seemed to be in favor of increasing Frank's budgeted salary. Frank said his employment contract would have to be adjusted.

Chairman Mysinger asked why Utility Worker I was so high. Frank said Utility Worker I now represented two employees instead of just one employee. Robert Gaughan asked if either Utility Worker I would become a Utility Worker II during the next fiscal year. Frank replied no.

Barb Adams asked about the wage and step scale. Frank said the wage and step scale presented included raises for cost of living. Employees are reviewed twice a year and raises are once a year. The wage and step scale was made to match the State for its requirements for each step and license level.

Malcolm Freund asked about the separation of temporary help and overtime. Frank has separated temporary help from overtime on budget document, to help better track each item.

Barb Adams asked where pager pay could be found in the budget. Frank said it was a part of overtime pay. Pager pay is \$160 per week for the field crew, but Frank is not compensated extra for pager pay. Robert Gaughan asked about pager calls. Frank said the crew was paid a minimum of two hours for a call out page. Frank estimated that about five calls were received every month and usually two of those calls were billing questions and not an emergency call. Robert Gaughan asked why crew members have been seen at the District Office all day on Saturday, he questioned if there had been recent problems. Frank said that one of the field crew workers has been working Tuesday through Saturday because he has class on Mondays.

Malcolm Freund asked how other Water Districts handled pager pay. Frank said that Corbett was the only one that he knew of that had a plan like this. His experience has been that the Superintendent would ask for a volunteer to carry a cell phone and pager on the weekend. That person would be allowed to leave five hours early on Friday and then they would work on Saturday and Sunday. After working five hours on Saturday all additional work would be paid at overtime pay. Frank said it was expected as a part of their normal work to carry the pager during the week and any work performed would be paid out at a minimum of two hours.

Malcolm Freund researched pager pay and found that pager pay was not common, but the two hour minimum call out was common. Barb Adams said she would like to see pager pay tied to work performed. Chairman Mysinger said the maximum total for pager pay was \$8,345 per year.

Bob Colclessor would like to see the rules and regulations adjusted so fees would be accessed to customers paging the emergency pager when there was no water emergency. He felt that the emergency pager should only be used for broken water pipes and water shortages.

Barbara Strasbaugh asked about overtime work. Frank said it rarely occurred when a project couldn't be stopped in order to cut back on overtime. Bob Colclessor is looking at changing the employee rules so only twenty hours of comp time could be stored, instead of the current eighty.

Chairman Mysinger decided to leave the Personnel funding as it was, with the exception of the increase budgeted for the District Manager, until the Board in future time made any official changes to the employee manual.

Robert Gaughan asked if the resignation of Lee Wyatt would increase the election cost. Frank replied no. He also asked if \$3,000 in Safety was enough. Frank said \$3,000 would buy quite a bit and the majority of safety items have already been purchased.

Barb Adams asked about the increase in Office Supplies. Office Supplies increased to reflect the increased number of reports that have to be sent to the State, along with all the backflow assembly testing that is being done in-house that have to be sent to several agencies. This increase also took into account the increased cost in postage and the cost of printing. There is also a larger customer base, so more billings go out every other month.

Barb Adams asked what the category of Engineering & Surveys would cover. This category covers in-house construction engineering, engineer of record, and for reference questioning.

The budget committee made no adjustments to the numbers under Material and Services that had been presented by the budget officer.

Chairman Mysinger moved the discussion to the General Fund Capital Outlay. He questioned what items would be purchased under New Equipment. Frank plans on purchasing a freeze kit, taping machine, and welding tools for \$6,589.

Chairman Mysinger asked about the change in System Improvement. The \$600,000 transferred from the Headwork's project has been placed into System Improvement and the original \$201,422 has been divided amongst Operating Contingency and Unappropriated Ending Fund Balance. Operating Contingency becomes \$149,171 this represents funds that would be available to the District if an emergency occurred. Unappropriated Ending Fund Balance becomes \$109,171 this represents funds the District cannot spend until the next budget year when they could be released for budgeting resources and expenditures.

The \$600,000 will be used to clean and recoat the Loudon Reservoir, install cathodic protection on Reservoir 4, and replace the water line on Christensen and Nielsen roads.

There was no change to the Headworks fund document.

The Reservoir Rate Surcharge was increased to reflect the actual number of customers within the District. The newly calculated Reservoir Rate Surcharge is 145,280 and water sales on page one decreased by the same proportion.

Jamie summarized the budget committee changes:

<i>General Fund - Revenue</i>	
Net Working Capital – 30,000	Previously levied taxes – 3,154
Water Sales – 482,476	Service connections – 8,500
Interest – 2,100	Transferred from Headworks fund – 600,000

Total resources, except taxes to be levied – 1,126,230  
Taxes necessary to balance – 112,430      Total Resources – 1,238,660

*General Fund – Personnel Services*

District Clerk – 25,400	Utility Worker I – 67,600
Office Assistant – 5,500	
Social Security & Medicare – 8,500	Worker’s Comp – 6,100
Pension & Unemployment – 11,000	Health Insurance – 13,000
Education – 2,500	District Manager – 46,000
Temporary Help – 21,000	Overtime – 8,379
Total Personal Services – 214,979	

*General Fund – Material & Services*

Mains – 8,300	Meters – 10,000
Building & Grounds – 2,000	Reservoirs – 8,000
Filter Plant – 7,000	Vehicles – 4,000
Utilities – 15,000	Office Supplies & Postage – 12,000
Engineering & Surveys – 30,000	Legal – 5,000
Insurance & Bonds – 18,000	Elections – 1,000
Chlorine & Testing – 21,500	Taxes, Interest & Other 1,200
Auditor – 5,000	Computer – 3,250
Tools & Shop Expense – 3,500	Safety Equipment – 3,000
Total Material & Services – 157,750	

*General Fund – Capital Outlay*

New Equipment – 6,589	System Improvement – 600,000
Fire Hydrants – 1,000	Total Capital Outlay – 607,589

Operating Contingency – 149,171	Total Expenditures – 1,129,489
Unappropriated Ending Fund Bal. – 109,171	
Total – 1,238,660	

*Headworks Project - Resources*

OHD State Revolving Loan Fund – 600,000

*Headworks Project - Requirements*

Transfer of funds to Gen. /closure of fund – 600,000

*Loan Repayment - Resources*

Working Capital – 10,000	Earnings from temporary investments – 1,000
Reservoir Rate Surcharge – 145,280	
Total - 156,280	

*Loan Repayment - Requirements*

Principle and Interest – 156,280

Barb Adams moved adopt the proposed budget with all of the above adjustments. Motion passed unanimously.

Barb Adams moved that the 2006-2007 budget be approved as changed by the Budget Committee, certifying that the permanent tax rate of 0.5781 per \$1000 of assessed value shall be used to calculate

*Taxes Necessary to Balance Budget* in the General Fund Resources category. Motion seconded by Sue Fry. Motion passed unanimously.

With no further discussion Chairman Mysinger adjourned the budget committee meeting at 8:25 pm.