

**CORBETT WATER DISTRICT
BUDGET MEETING
Written Summary
April 3, 2012**

Board members present: Jeff Hargens, Sonny Boyd, Kevin Wilhelm.

Absent board members: Robert Gaughan, Robert Churnside.

Budget committee members present: Dave Mysinger, Robert Colclessner, Malcolm Freund, Dale Anderson, Tom Doty.

Staff present: James Jans.

Budget Committee Chairman **Dave Mysinger** called the meeting to order at 6:05 p.m.

APPROVAL OF THE AGENDA

Robert Colclessner made a motion to approve the agenda, **Sonny Boyd** seconded, passed unanimously.

APPROVAL OF THE MINUTES

Sonny Boyd would like the statement “In 2003 the board reduced the cost per unit” to be changed to read “In 2003 the board decreased the cost per unit”. **Sonny Boyd** made a motion to approve the minutes of March 20, 2012 as modified, **Dale Anderson** seconded, passed unanimously.

REVIEW OF THE PROPOSED BUDGET

Dave Mysinger states that at the previous meeting, the budget committee was discussing a possible rate increase. He says that without a rate increase, the total expenditures will exceed the total revenue. **Jeff Hargens** feels that it would be wise to have a water rate increase every couple of years to keep up with inflation. He also feels that it would be easier for the community to have multiple small rate increases, as opposed to having one large increase. **James Jans** distributed a chart to all present at the meeting, showing how much income would be generated if an increase was made on the base rate, as well as the income that would be generated if there was an increase on the cost per unit of water. **Dale Anderson** states that he would like to see the increase be on the base rate since water conservation is rising. **Jeff Hargens** feels that the District should encourage conserving water, and feels that the best option would be to raise both the base rate and the cost per unit. He would like there to be an exact reason for the increase so it is easily explainable to the community. The current base rate is \$12 per month, \$3.65 per 1,000 gallons and \$2.73 per 100 cubic feet. **James Jans** states that the board may want to continue to charge the customers for the base rate even when they are out of town for an extended period of time. **Dave Mysinger** questioned how much tax income will come in. **James Jans** states the TSCC has estimated that the District will receive around 92% of the property taxes due. **Jeff Hargens** states that there are currently enough funds for the materials and services category, however the personnel services will continue to rise with pay step increases. The District clerk currently works 30 hours per week and the assistant clerk works 15 hours per week. The assistant clerk

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REVIEW OF THE PROPOSED BUDGET – (Cont.)

cannot increase her hours since the employee receives retirement from PERS. **Dave Mysinger** feels that the office staff receives very large salaries. **James Jans** states that at most public water utility systems, the District Clerk and the certified operators receive the same wages. He says that the office staff has taken over the backflow/cross connection program, and has been scanning the old budgets and audits into the computer so the records are still obtainable in the event of a fire. He states there is plenty of work for the office staff to stay busy and the hours worked by them are necessary. **James Jans** says that there was an auditing error in the prior District Manager wages, therefore the budget sheets show an increase and decrease on the wages. The proposed wages for the 2012-2013 budget year are correct figures if a 5% wage increase is approved. **Jeff Hargens** feels that a 5-6% increase for personnel services in a governmental agency is reasonable. He states that the District does not need three certified operators, and there will only be able to be one person in each utility worker wage scale, therefore when a utility worker gets to the top of their scale they will not be able to move to the next wage scale unless the certified operator above them leaves their position. He states that the employee may need to move onto another District if they would like to continue moving up. **Malcolm Freund** would like clarification on Kevin Moran's late payment fee from PERS. **James Jans** states that when Kevin Moran first became employed with the District, the payments were not being correctly made for his account. This was only noticed when he tried to pull funds out of his retirement early. The District was charged for the original amount as well as interest. **Jeff Hargens** questioned how often overtime was used. **James Jans** states there is usually very little overtime used, however he would like funds for this category to remain in the budget for emergencies. **James Jans** states that the District currently only receives \$120,000 from the base rate for the loan payment, however the payments made to the OECDD are for \$138,458. **Jeff Hargens** questioned using part of the rate increase to make up for the deficient revenue for the loan payment. **Sonny Boyd** would like to apply what we can each year towards the principle of the loan. **Dale Anderson** states that the District should be upfront with the community and let them know that the District may consider another rate increase after two years. **Sonny Boyd** states that the cost of bottled water is extraordinarily higher than the water provided by the District. **Dave Mysinger** recommends a \$1 increase on the base rate and a \$0.30 increase per unit of water. **Dale Anderson** would like to see what kind of percentage increase that would equal.

BUDGET COMMITTEE ADOPTION OF 2012-2013 BUDGET & LEVY

Dave Mysinger made a motion that the 2012-2013 budget be approved by the Budget Committee at \$1,015,581, certifying that the permanent tax rate of 0.5781 per \$1,000 of assessed value be used to calculate taxes necessary to balance the budget in the General Fund Resources category, **Tom Doty** seconded, passed unanimously.

Meeting was adjourned at 7:35 p.m.