

CORBETT WATER DISTRICT

APPROVED MINUTES

Budget Committee Meeting 6:30 p.m.

Tuesday, April 5, 2005
Corbett, Oregon

Commissioners Present: Bob Colclessor, Lee Wyatt, and Robert Gaughan.

Budget Committee Members Present: Chairman Dave Mysinger, Barb Adams, Marion Kirkham, and Sue Fry.

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

Audience Members Present: Torey Redfern, Donna Colclessor, Dick Wand, Brian James, Janet Helus, Dan Marsh, and Dale Burkholder.

Chairman Mysinger called the meeting to order at 6:50 p.m. at the Corbett Fire Hall.

Discussion of the 2005/06 Budget.

Chairman Mysinger began the discussion with Personnel Services.

Frank Sterzinar explained that the numbers proposed had changed to correct a mathematical error. The budget committee members were asked to consider the following numbers:

Personal Services: Expenditure Description

District Clerk - \$26,785	Utility Worker I - \$32,157
Utility Worker AP- \$27,664	Office Assistant - \$6,500
Social Security & Medicare - \$15,000	
Worker's Comp - \$5,500	Pension & Unemployment - \$25,000
Health Insurance - \$17,000	Overtime & Temporary Help - \$25,000
Education - \$2,500	District Manager - \$42,000
Total Personal Services of \$225,106	

Barb Adams questioned why 'Office Assistant' had decreased. Frank had decreased the budgeted amount under 'Office Assistant' to reflect the actual expected amount for the current year. Barb Adams spoke about prior year's totals under Personnel Services being adjusted by the District's auditor.

Brian James questioned why it looked like wages overall had decreased compared to the current year. Frank replied that in the 2004/05 budget year the amounts under each Personnel Services category included fringe benefits and the proposed numbers for 2005/06 separated wages from fringe benefits per The Tax Supervising and Conservation Commission's (TSCC) recommendation.

Lee Wyatt wanted it clear to the staff at TSCC that if the District offered a reward the funds would come from 'Contingency.' She wanted to make sure this item would not have to be a line item, because it would be an unforeseen cost.

Bob Colclessor spoke about the Loan Repayment Fund. He wanted the amount collected from the 'Reservoir Rate Surcharge' to reflect the original amount of 1030 customers multiplied by \$10/month, for a total of \$123,600/year. He estimated that this would save approximately \$140,000 in interest over the life of the loan.

Brian James asked about the loan amortization schedule. Bob Colclessor replied that it was a 20 year loan. There was some discussion if the amount allocated under 'Earning from temporary investments' should be considered a part of the \$123,600 or an addition for a total of \$124,600. Chairman Mysinger said the \$3,600 would come from 'Water Sales' located on page one.

Lee Wyatt summarized the following proposed numbers:

Loan Repayment Fund: Resources

Earnings from temporary investments - \$1,000

Reservoir Rate Surcharge - \$123,600

Total Resources of \$124,600

Loan Repayment Fund: Requirements

Principle & Interest - \$114,600

Unappropriated Ending Fund Bal - \$10,000

Total Requirements of \$124,600

General Fund: Resources

Water Sales - \$506,631

Service Connections - \$3,400

Interest - \$2,000

Total resources, except taxes - \$726,432

Taxes necessary to balance - \$108,725

Total Resources of \$835,157

Chairman Mysinger moved the discussion to Capital Outlay.

Bob Colclessor said he would like to see 'Contingency' at \$60,000, 'Transfer to Headworks' at \$177,120 and the remaining funds in 'System Improvement.'

Lee Wyatt spoke about the possible effects on 'Revenue' if a drought occurred. After speaking to folks in the community she has concerns related to mandatory government water restrictions. She felt that if a reasonable expectation existed that 'Water Sales' could decrease then it would be prudent to plan for the decrease in sales. She would like to see 'Contingency' at \$100,000.

Sue Fry commented that regardless of water restrictions livestock and nurseries required water. Lee Wyatt estimated that a \$100,000 'Contingency', worked out to be an average 2,200 gallons/customer. She questioned if there was reasonable expectation water sales could decrease if a drought occurred. She believed there was a reasonable expectation for a drought to occur, thus she wanted 'Contingency' to be at \$100,000. Brian James agreed with Lee Wyatt that the 'Contingency' should be budgeted at \$100,000.

Barb Adams believed that unless a State mandate was in place folks would still use the same amount of water as prior years. She said that history showed that increased water rates did not change water usage.

Lee Wyatt wanted the budget committee to recognize there was a possibility that ‘Water Sales’ could decrease because of a drought. Barb Adams wanted the money to be left in ‘System Improvements.’

Rick Weaver spoke about being in a four year drought. He also spoke about Bull Run being able to restore themselves in a couple of days. He said it was always a good idea to save a little bit of money because you could always move it over if it did not get used. Lee Wyatt said the Governor had put on his website information on water rationing. Janet Helus said she would cut back on water if she was asked.

Chairman Mysinger asked about ‘Hydrants.’ Frank Sterzinar replied that all hydrants were up to code, but he would like to see increased flow on about 75% of the hydrants. Rick Weaver commented that to increase flow the District needed to increase pipe size.

Currently four hydrants are ready for installation. Chairman Mysinger felt that ‘Hydrants’ should be \$0, because Frank did not plan on purchasing more hydrants in the coming year. Lee Wyatt agreed with Chairman Mysinger, but she wanted to make sure that Tom Layton (fire chief) agreed. Frank felt that Tom would be in agreement. Frank would like to wait for the results of the hydraulic study before any new hydrants were installed.

Dan Marsh asked if there were hydrants in need of repair. Frank replied that he has repair kits for those that are in need of repair work.

Capital Outlay: Expenditure Description

New Equipment - \$5,000

System Improvement - \$165,181

Shop & Office - \$2,000

Fire Hydrants - \$0

Total Capital Outlay of \$172,181

Operating Contingency - \$100,000

Transfer to Headworks - \$177,120

Total Expenditures of \$815,157

Unappropriated Ending Fund Balance of \$20,000

Total of \$835,157

To make sure the budget would balance Lee Wyatt summarized the following:

835,157 Revenue
- 225,106 Personnel Services
- 140,750 Material & Services
- 20,000 Unappropriated Ending Fund Balance
- 7,000 New Equipment & Shop (partial Capital Outlay)
- 177,120 Transfer to Headworks
265,181 Balance available for Contingency & System Improvement

Sue Fry would like to see \$100,000 in ‘Contingency’ and the balance of \$165,181 in ‘System Improvement.’

Lee Wyatt said that if a drought did not occur, then the money could be moved back into ‘System Improvement.’ She did not want to plan for use of income if it may not be there.

Dale Burkholder spoke about the need to target and prioritize the most important areas of the District.

Barb Adams said that over time a large amount of money would be required to fix the District's infrastructure. Lee Wyatt commented that the money from the Loan could not be used to repair pipes.

Barb Adams moved that 'Contingency' be \$100,000. Motion seconded by Sue Fry. Motion passed unanimously.

Barb Adams moved that the 2005-2006 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 passed unanimously.

Lee Wyatt and Chairman Mysinger thanked the committee and the audience members for their participation in the budget process.

Chairman Mysinger moved to adjourn. Motion seconded by Sue Fry. Motion passed unanimously. Meeting adjourned at 8:30 p.m.