

**BUDGET COMMITTEE MEETING #1**

**HYBRID MEETING: IN-PERSON ~ VIRTUAL MEETING VIA ZOOM**

**Monday, January 27, 2025, 4:00 p.m. ~ Corbett Fire Hall 36930 E Hist. Col. Riv. Hwy**

**BUDGET COMMITTEE MEMBERS PRESENT IN PERSON: Michael Arion, Lauri Aunan, Matt Bruton, Allen Cress, Kelly Piper, Nina Sackett Kronberg, Jonathan Scott**

**BUDGET COMMITTEE MEMBERS PRESENT VIA ZOOM: Sara Grigsby, Angie Kimpo, Dan Graff (Joined at 4:25pm)**

**BUDGET COMMITTEE MEMBERS ABSENT: None**

**STAFF MEMBERS PRESENT: District Manager Ana Linden, District Clerk Heather McGivney, District Clerk Kelsey Zavoral**

**AGENDA**

- 1. Call to Order** – Board President Kelly Piper called the meeting to order at 4:00pm.
- 2. Roll Call** – All committee members were present. Angie Kimpo and Dan Graff joined via Zoom after the meeting started.
- 3. Approval of the Agenda** – Kelly Piper seconded by Sara Grigsby. *(motion passed 8 yes votes: M. Arion, L. Aunan, M. Bruton, A. Cress, S. Grigsby, K. Piper, N. Sackett Kronberg, J. Scott; 0 no votes)*
- 4. Election of the Fiscal Year 2025-2026 Budget Committee Chairperson** – Kelly Piper asked for nominations for a Budget Committee Chairperson. Allen Cress nominated Jonathan Scott, seconded by Angie Kimpo. *((motion passed 8 yes votes: M. Arion, L. Aunan, M. Bruton, A. Cress, S. Grigsby, K. Piper, N. Sackett Kronberg, J. Scott; 0 no votes)* Budget Committee Chairperson Jonathan Scott took control of the meeting.
- 5. Review of the Budget Message** – Committee member Kelly Piper read the Budget Message.
  - The Corbett Water District (CWD) discussed its mission to provide reliable, safe, and high-quality water to customers at an equitable price while ensuring fiscal accountability. The district acknowledged the need for a bold investment in capital improvements to secure its future and customer safety. The CWD also highlighted the importance of its staff and volunteers, and the need for transparency and public input in its budget planning process. The district manager, Ana Linden, emphasized the importance of community feedback and the need for a newly expanded budget process to address the challenges faced by the district.
- 6. Review of Past Years' Financial Information – Actual Money Spent vs. Budget**
  - The district discussed the review of past year's financial information, focusing on actual money spent versus budget. Ana emphasized the importance of understanding the big picture before delving into detail. She explained the concept of revenue and beginning networking capital, which is all part of the general fund.
  - Ana made a note that unlike larger cities with multiple funds, their general fund can be used for various purposes, including personnel services, materials, services, capital outlay, and debt services. The district also mentioned the flexibility of transferring funds between accounts, which is not required for a lengthy budgeting process.

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## **Fiscal Year and Internal Controls-**

- The committee discussed the fiscal year and internal controls over assets at the corporate water district. The Corbett water district has traditionally used a long list of accounts for budgeting, but has now reorganized, focusing on four main buckets and reducing the number of accounts. The district has also implemented payroll software that transfers information to QuickBooks more accurately. Ana also touched on the issue of running reports in QuickBooks, with the old reports showing a large expense in materials and services that weren't budgeted for. The new reports are expected to be more helpful.

## **Fiscal Year 2022 Expenses and Controls**

- Corbett Water District discussed the fiscal year 2022 expenses, which were audited and found to be \$243,930.33. The budgeted amount was \$261,150, with a discrepancy of \$5,000 between the two figures. The district also explained the concept of 'actuals' and how they are used in budgeting. The discussion also touched on the requirement to consider any item listed in the last three years with a number next to it as an 'actual'. The district also outlined the internal control rules used in most accounting practices to prevent fraud and errors, such as segregating duties and using cash basis accounting. The conversation ended with a brief explanation of the roles of the Special District Association of Oregon (SDA) and the Tax Supervising and Conservation Commission (TscC).

## **Budgeting and Internal Controls Importance**

- The meeting focused on the importance of budgeting and internal controls within the district. Ana emphasized the need to plan and track expenses, ensuring that funds are not misspent. They also highlighted the significance of the budget process, which is a public forum, and the monthly treasures report that compares the budget to actual spending. The speaker stressed that the budget serves as a guideline and a barometer for the district's activities, and deviations from it should be reported to the board. The discussion concluded with a review of the budget to actual comparison

## **Budget Discussion and Personnel Services**

- In the meeting, Heather McGivney discussed the proposed budget for fiscal years 2025 and 2026. They offered to share past years' budget reports, which were more accurate than previous reports. The district also clarified the breakdown of personnel services, including utility workers' pay, taxes, and pension contributions. They demonstrated how these services were included in the budget, with a focus on payroll expenses. The team also discussed the value of reviewing past financial information, particularly when discussing specific line items in the budget.

## **Audit Numbers and Budget Discussion**

- Heather discussed the audit numbers and budget percentages from 2011 to the present, noting the impact of inflation. She also mentioned the unappropriated ending fund balance, which represents the money in the bank at the end of each year. The team presented a proposed budget to TSCC, which includes various line items that must remain until the numbers fall off. They also shared a summary budget and a revenue and expenditures explanation document. The budget is based on expected grant revenue of \$957,000 and includes various accounts in their QuickBooks system.

## **Proposed Budget and Grant Revenue**

- The Corbett water district discussed the proposed budget, which included a \$10,300 proposal for materials and services. They also mentioned a grant revenue line of \$957,000. The team decided to go through the proposed budget to answer questions and provide further details. They also discussed the actual figures from their auditor and

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the budget adopted for the current fiscal year. The district also mentioned that they have software that feeds directly into QuickBooks, providing accurate actual numbers for the first half of the fiscal year.

### **Budget Review and Contingency Planning**

- The committee discussed the upcoming fiscal year's budget, focusing on personnel costs, taxes, and insurance. They emphasized the need for the budget committee to review and approve the proposed budget, which would then be submitted to the county for further review. The committee was also reminded of the importance of maintaining an operating contingency fund, with a target of \$164,730. The district noted a surplus of \$183,000, which they agreed not to spend, but to consider for future needs. The final budget approval and adoption were scheduled for June, with the possibility of making changes based on unforeseen expenses.

### **Budget Sustainability and Unspent Funds**

- The district discussed the budget and financial management, focusing on the operating contingency and unappropriated ending fund balance. They noted that the budget was not sustainable as it left only \$183,000 for the end of the year, which could be depleted if all planned activities were carried out. They also highlighted the issue of budgeted funds not being spent, such as the \$200,000 for the sand project, which remained in the budget for years. The district expressed concern about the sustainability of the current budget and the potential impact on future years' finances.

### **Budget Planning and Community Involvement**

- The district discussed the importance of transparency and community involvement in budget planning. They emphasized the need to increase rates to meet the budget and the importance of maintaining a cash reserve. The district also mentioned the need for capital improvements and the potential for more paid staff. Sara Grigsby added that they regularly review financials and have a 20-year plan, with a grant to evaluate their system and prioritize large projects. The district also mentioned that the Board has expressed interest in pursuing specific projects, such as awkward storage and recovery.

### **Federal Grant Money Allocation**

- The Committee discussed the allocation of federal grant money and the need for a presentation on the proposed capital outlays for next year.
- They also addressed questions about the cost-sharing of grants and the reasons for significant increases or decreases in budget items. The next meeting was scheduled for February 10th at 4 PM, which would be a virtual meeting.

### **Questions from the Budget Committee**

- Lauri Aunun - what are the total base rates in the winter?
- Lauri -what should we look for in the year 2025?
- Jonathan Scott– How much of the grant is Federal and how much is State?
- Jonathan - Explanation on the budget for a significant increase or decrease from last year compared to the proposed budget?
- Nina Sackett- Are there additional documents for the next meeting?
- Nina- Are we seeing numbers for the full project in this not assuming we received the grant?
- Angie Kimpo- In the detailed unappropriated it shows \$500,000.00, is that correct and why is it there?

### **8. Public Comments – None**

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- **ADJOURNMENT OF MEETING** – Michael Arion made a motion to adjourn the meeting at 5:00pm. Nina Sacket seconded. (*motion passed 9 yes votes: M. Arion, L. Aunan, A. Cress, M. Freund, D. Graff, S. Grigsby, A. Kimpo, A. Kurkinen, N. Sackett Kronberg K. Piper; 0 no votes*) The meeting was adjourned at 5:00pm).

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