

**BUDGET COMMITTEE MEETING #2**

**VIRTUAL MEETING VIA ZOOM ~ Monday, February 10, 2025, 4:00 p.m.**

**BUDGET COMMITTEE MEMBERS PRESENT VIA ZOOM: Michael Arion, Lauri Aunan, Matt Bruton, Allen Cress, Sara Grigsby, Dan Graff, Angie Kimpo, Kelly Piper, Nina Sackett Kronberg, Jonathan Scott**

**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** – Budget Committee Chairperson Jonathan Scott called the meeting to order at 4:00pm.

**2. Roll Call** – All committee members were present. Dan Graff and Matt Bruton joined via Zoom after the meeting started. Sara Grigsby exited the meeting at 4:53pm, Dan Graff exited the meeting at 5:31pm, Nina Sackett Kronberg exited the meeting at 5:34pm.

**3. Approval of the Agenda** –Michael Arion made a motion to approve the Agenda, seconded by Allen Cress (*motion passed 8 yes votes: M. Arion, L. Aunan, A. Cress, S. Grigsby, A. Kimpo, K. Piper, N. Sackett Kronberg, J. Scott; 0 no votes*)

**4. Answer Questions Previously Submitted by Budget Committee**

- Ana Linden presented a detailed explanation of grant budgets and cost shares for various projects. The ASR feasibility study grant is a 50-50 match using State funds, while the Bureau of Reclamation SOR grant is a 50-50 match with Federal dollars. The Hazard Mitigation Grant Program (HMGP) uses Federal funds with a 75-25 split, with the Biz Oregon Emergency Infrastructure Fund potentially covering the 25% match.
- Ana also explained that the budget shows the total expected collection and expenditure for each project, not the net amount after subtracting grant money. She notes that some matching costs, such as labor and volunteer time, will be accounted for separately in the budget.
- Lauri Aunan expressed confusion about the timing of grant awards. Angie Kimpo and Ana Linden clarified that the timing of grant awards is uncertain, with the Oregon Legislature's session in the fall determining the outcome. They also discussed the possibility of spending other funds if grants are not awarded.

**5. Review and Discussion of the Fiscal Year 2025-2026 Proposed Budget by Section**

- Lauri raised a question about the unappropriated ending fund balance on the Explanation of Revenue and Expenditures document, which Heather McGivney clarified was a typo and should be correct in the updated documents. Heather also mentioned that the proposed budget should have had resources and expenditures balanced, and the committee will need to make a motion acknowledging this when they approve the budget.
- Ana explained her method of estimating the beginning balance, which includes considering expected revenue and expenses through the end of this fiscal year. The committee also discussed the concept of contingency, with Dan Graff explaining it as money that can be re-appropriated for emergencies.
- Ana discussed the evolving situation regarding the grant application for two new reservoir tanks at Larch Mountain, with the possibility of receiving FEMA funds. Ana indicated that the budget will

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be adjusted based on the outcome of the grant applications. She also listed ongoing projects, including the sand filter ponds, GIS project, PRV training and maintenance, and treatment plant upgrades.

- Kelly Piper asked about generating more revenue by increasing taxes. Heather McGivney said that the only way to change a permanent tax rate is to have the community vote to dissolve the District and form a new one, which is risky. Ana suggested that we could also consider changing the District boundaries, or a potential temporary tax levy rather than changing the permanent tax rate.
- Nina Sackett Kronberg and Ana discussed the challenges of retaining District staff due to lower wages compared to nearby competitors. They considered benefits as an area to recoup ground, with an HR group consulting on additional benefits. Ana mentioned a wage study for all positions, and the cost-of-living adjustment of 2.4% based on January's inflation index. They also discussed on call pay and the need for a Direct Responsible Charge (DRC) for water safety.
- Ana discussed the need for ongoing security system updates and maintenance, including cyber security and system alarms. Nina raised concerns about the adequacy of the \$500 annual budget for cyber security, given the increasing threats to digital security. Ana agreed to investigate the District's cyber security practices and the role of their computer contractor, East Wind Computers, in this area. They discussed the need for a third-party assessment of their cyber security and the potential transition to cloud-based software, which would require more robust security measures.
- The committee discussed various maintenance and repair plans for District infrastructure, with the goal of having in-house maintenance for smaller tasks. They also discussed the need for upgrades to the treatment plant, including new instruments and a PLC (the device that controls the treatment plant).
- Heather presented the new working document with updated budget lines and Ana discussed the next steps in the budget cycle. The new updated working documents will be emailed to the committee. The next meeting is scheduled for March 10th at the Corbett Fire Hall, where the committee will decide if there is a budget shortfall and discuss a potential rate increase. The final budget approval is set for April 23rd.
- Kelly asked if the current proposed budget includes a rate increase? Ana said that it is based on current revenues, and it is conservative.
- Jonathan asked the Committee to be ready and prepared for the next meeting as it is only scheduled to be 1 hour.

### **Public Comments**

Community member Claudia Fransen posted into the chat: Looking at the increase in salary by position over the 4 years presented, the increase in the District Manager salary year after year is quite noticeable. It has grown by 27%, then 18%, and now is budgeted to be an increase of 23% this year. Based on the truncated data available in this budget, it appears as though the other employee areas (field and office crews) have increased in employee count, but their percentage of budget increase (based on the overall budget amount for all employees in that department) are still less than those of the manager. For example, the office crew is only showing an increase in 4%. I would ask you to evaluate all the employee salaries in the budget (hopefully in far greater detail than presented in the truncated public budget). I hope you are able to come to a budget amount for all employee departments that is equitable in these increases.

**ADJOURNMENT OF MEETING** – Jonathan Scott made a motion to adjourn the meeting at 5:40pm. Lauri Aunan seconded. (*motion passed 7 yes votes: M. Arion, L. Aunan, M. Bruton, A. Cress, A. Kimpo, K. Piper, J. Scott; 0 no votes*) The meeting was adjourned at 5:40pm.

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