

## **BUDGET COMMITTEE MEETING**

May 1, 2019

7:00 p.m.

The meeting was called to order by Chairman Hickey at 7:01 pm. Board Members present were Jim Hickey, John Handler, and Mike Sims. Curt Lorenz and Owen Nicholson were excused.

Also present were Budget Committee Members David Dillon, David Wilson, Scott Krueger, Chuck Winkelman, and Ann Morgan.

Others present were Budget Officer Bruce Halverson, Keri Scott, and Janet Lease.

There were no other members of the public present.

### **ELECTION OF CHAIRMAN**

Director Handler made a motion to nominate Ann Morgan as Chairman of the Budget Committee. The motion was seconded by David Dillon. The motion carried unanimously.

### **DELIBERATION**

Budget Officer Halverson began by reading the Management Discussion and Analysis (MD&A)/Budget Message aloud. Highlights from the MD&A include the funding for seven full time employees with the possibility of hiring a temporary worker for the Geographic Information System (GIS) project, the Fats, Oils, and Grease (FOG) project, or as needed. The Personnel Committee recommended and the Board of Directors approved a 3.0% cost of living increase based on the personnel committee methodology set up in 2007. The NBWA continues to be a part of the Special District Association of Oregon (SDAO) health insurance program which is a self-funding program. SDAO reported there will be an increase of 6% to the health & vision premiums, and an increase of 1% to the dental. There are no changes in the health insurance policy parameters from the current fiscal year. The NBWA continues to be a member of the Oregon Public Employees Retirement System with the employees continuing to pay their 6% contribution.

Budget Officer Halverson reviewed the General Fund highlights noting the resources are projected to be \$2,826,452.00 with a cash carry forward estimated at \$1,000,000.00. The permanent tax rate for the NBWA is \$0.4088/1000 of assessed value. All investments are held with the Oregon State Investment Pool with the interest rate as of March 2019 at 2.75%.

Budget Officer Halverson reported the NBWA uses the 2014-2034 Master Plan as a guide for projects for the System Development Fund. The Capital Improvement Plan was developed from the Master Plan and all projects are evaluated to be prioritized on a yearly basis to determine whether a project needs to be done sooner than projected or can be delayed. The engineer has recommended raising the user fees over the next 20 years to \$33.00, to help offset the cost of the projects. All increases are dedicated to the System Development Fund not for the General Operating Fund.

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### **DELIBERATION CONTINUED**

Budget Committee Chairman Ann Morgan opened the discussion by asking for questions from those present.

Budget Committee Chairman Morgan asked why there was a debt revenue column on the General Fund Analysis Graph (page 6) when the agency does not have and bonds that would create debt revenue. Office staff responded that the column would be removed.

Director Handler noted that Oregon has a new payroll tax, the State Transit Tax at 0.1% (page 10, line 5106).

Budget Committee Chairman Ann Morgan noted that the increase to the water utility line, in Materials and Services (page 11, line 5202), was a notable increase from the adopted 18/19 budget, but very close to the 17/18 actual. Office staff responded that current projections have the line closer to the 18/19 adopted and that it was likely in 17/18 that a leak had caused temporary inflation of the 17/18 water bills.

Budget Officer Halverson noted the Disaster Preparedness line, under supplies in the General Fund (page 12, line 5407), includes the cost to complete the emergency septic systems after grant funds are depleted, and a possible purchase of a latrine trailer for the project.

Budget Committee Chairman Ann Morgan noted that the System Development Resources, (page 19, line 4016) transfer from the general fund, reflected only the Ad Valorem taxes and not an additional \$8.00 per month/per user from the user fees as described in the Manager's Discussion and Analysis (page 4). Office staff agreed that the wording on page 4 be changed to "and/or" from "as well as" to avoid confusion.

### **VOTE ON BUDGET**

Budget Committee Chairman Ann Morgan asked for any final questions or statements for the budget deliberation. Chairman Morgan called for a motion to approve the proposed budget with the grammatical and formatting changes noted. David Dillon made a motion to approve the 2019-2020 proposed budget with stated changes. The motion was seconded by Director Handler. The motion carried unanimously.

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### **APPROVAL OF TAX RATE**

Budget Committee Chairman Ann Morgan noted the permanent tax rate for the NBWA is \$0.4088/1000 of assessed value. Dave Dillon made a motion to approve the full permanent tax rate of \$0.4088/1000. The motion was seconded by Director Handler. The motion carried unanimously.

Chairman Morgan again noted that no visitors were present.

There being no further discussion and business regarding the 2019-2020 proposed budget, Chairman Morgan adjourned the Budget Meeting at 7:52 p.m.

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Ann Morgan, Chairman  
NBWA Budget Committee