

Wednesday, 7 P.M.

March 22, 2006

**CITIZEN RATE REVIEW COMMITTEE
MINUTES
Public Safety Building**

Members Present:

Chair Matson Haug
Michael Sylvester

Charles Zickefoose
Dan Schutter

David Maiben

Members Absent:

Mike Gougler

Ernie Amundson

Staff Present:

Kathy Tri, Finance Director
Dan Danicic,
Paul Chiu,

1. Call to Order

The meeting was called to order at 7:00 PM by Chair Matson Haug.

2. Roll Call

Roll call was noted by Kathy Tri

3. Minutes

MOTION: Schutter/Maiben to adopt minutes of the February 8 and February 22, 2006 minutes.
Motion carried.

4. Review of Storm Water Rates.

Dan Danicic presented the methodology for the storm water rates, along with the history of storm water rates. Mr. Danicic stated that when this fund was started, the committee thought that the \$4 rate was too high to impose on people without working up to it. At that time the committee reduced the rate to \$2.00 a month and then would eventually work up to a higher rate. Currently storm water fees are paying for staff and O&M costs. Some future projects include a project on S. College St to increase the size of the culvert, and another project is the Vermillion Creek Project. The line is showing signs of falling apart and the engineering department is thinking of re-routing the line around GFU's track.

Kathy Tri stated that the city does have SDC Credits for storm water pipe over sizing. She then referred to Tab D. The first table shows the customer split being residential at 78.5% and non residential at 12.5% of the customers. Ms. Tri stated that there is the same 60 day cash reserve policy that the water and sewer funds have. For future storm water projects, she noted that there is no anticipated debt. Future storm water SDC's are expected to bring in more than 100,000. Tab F shows storm water rates compared to other local cities. Dundee's rate is \$5.00. McMinnville, Albany and Woodburn do not have a separately funded storm water program .

Charles Zickefoose asked what the water quality implications were.

Dan Danicic stated that the city is currently under phase 2 of water quality but DEQ does not have the staff to implement it. In the future the city would like to continue to implement phase 2 water quality standards. Mr. Danicic stated that it was not difficult but just time consuming.

Matson Haug asked if DEQ decides to fully implement phase two, if the staff currently available would be able to handle it.

Dan Danicic stated that they would be able to. It would just take time to put together a storm water master plan.

Mike Shutter asked how many single family homes were in Newberg.

Kathy Tri stated that in July of 2005 there were 4,642 single family houses.

Mike Sylvester stated that it seems like the city always has a lot of money in the bank and is always doubling the cost of services.

David Maiben asked for a list of projects that have been completed.

Kathy Tri stated that she did not have a list of all the projects at that time. Ms. Tri stated that they could pull up the master plan to show the committee what projects have been completed and what is waiting to be done.

David Maiben asked where he could find the amount of money the city has in the storm water fund.

Kathy Tri stated that on the Fun-1 table it shows that there was a little bit of a carry over from a small fee from a long time ago. For 03/04 the fund was at \$108,000.

David Maiben asked if the laborer for storm water only works on storm water.

Dan Danicic stated that there are times when other staff members from public works will help with the storm water system. At that time they will get paid from that fund. Mr. Danicic stated that there are state statues that prevent us from using money from another fund. Mr. Danicic stated that they can borrow money but they have to pay it back.

Mike Sylvester asked how much money was in the general fund.

Kathy Tri stated the amount and that the general fund is mainly for fire, police and library.

Mike Sylvester asked where the money for storm water came from prior to this fund.

Dan Danicic stated that some of it was from transportation and some was from sewer.

Mike Sylvester asked why there have been no updates on the city roads.

Kathy Tri stated that it takes time to build up enough money to have an adequate pavement maintenance program..

Matson Haug asked if it would be possible to get a hand's on experience of what repairs and improvements are needed.

David Maiben stated that he doesn't want to see what needs to be done; he wants to see what has been done.

Dan Danicic stated that he would ask Russ Thomas to come to the next meeting to explain what maintenance projects has been done. Mr. Danicic stated that the tables do not show the previous years projects and that he would have a list ready for the following meeting.

David Maiben stated that the city is going to have a hard time selling a fee raise when people don't see any projects being completed.

Dan Danicic stated that projects are continually being re-evaluated. Sometimes there will be a project that has a higher priority than another project.

Kathy Tri stated that this rate increase is a staff recommendation to the committee. The committee is welcome to make changes and staff can bring those changes back at the next meeting.

Dan Danicic stated that the 20% increase is not forever. Eventually it will level off and come closer to the cost of living increase.

Mike Sylvester stated that a \$6.18 rate by 2010 is going to be bringing in a lot of money.

Dan Danicic stated that the City is trying to do a pay-as-you-go capital projects program.

Kathy Tri stated that in the next 4 years, the city is going to spend more than \$1 million in capital projects. One third of the total expenses over the next 5 years will be for capital projects.

Dan Shutter stated that he would like to see the budget if the fee were only raised by 5% per year.

David Maiben asked what the budget for storm water was before there was a separate storm water fund.

Kathy Tri stated that there was no separate budget before this program.

Dan Danicic stated that at the next meeting the staff will have a report on projects that were completed in the last few years along with a budget reflecting a 5% rate increase, the value of the storm water system, and an explanation of why O&M costs are so high.

Meeting was adjourned at 9:00 p.m.