

Wednesday, 7PM

January 9, 2008

**CITIZENS' RATE REVIEW COMMITTEE
MINUTES**

Wastewater Treatment Plant

Members Present:

Chair Matson Haug	Ernie Amundson	Charles Zickefoose
David Maben	Dan Schutter	

Members Absent: Mike Gougler (excused)

Staff Present:

Daniel Danicic, PE, Public Works Director
Elizabeth Comfort, Finance Director
Deb Galardi, Galardi Consulting
Bob Andrews, Mayor
Dawn Karen Bevill, Recording Secretary

1. Call to Order/Roll Call/Introduction

The meeting was called to order at 7:04 PM by Chair Matson Haug.

Roll Call was noted by Dawn Karen Bevill.

2. Minutes

MOTION: Schutter/Amundson to adopt the November 14, 2007 minutes. Motion carried by voice vote.

Dan Danicic gave an update on the revision of the code to allow a Springs' customer on the committee. The current vacancy will be advertised using the revised code.

The City Council asked staff to collect additional data for the potentially new Springs' customer class. In summary, Dan needs to meet with City Council one more time to discuss data and a Council meeting will be scheduled for March. An attorney was hired due to his background in the case law for situations such as this one.

Dan Schutter asked for a representative from the CRRC to attend that meeting.

3. Credits for Low Income Customers

YCAP Voucher Program:

Dan Danicic stated he crafted a proposal based on the direction he received from the CRRC after the last discussion at the November 14, 2007 meeting. This is a program to continue with YCAP who will need to prequalify low-income individuals.

Chair Haug asked if \$500 is the yearly amount and if that figure is too low.

Dan Danicic replied that yes, that is the amount and no, the figure is not too low.

Chair Haug asked if individuals can apply at another location or just in McMinnville and do they need to apply in person.

Elizabeth Comfort stated they need to apply in person in the McMinnville location.

Grant Program:

Dan Danicic explained that non-profit organizations which provide utility bill assistance to Newberg customers could apply for a grant from the City of Newberg to fund this assistance. Customers may apply for assistance through those organizations. \$4,000 will be set aside for grant awards.

Chair Haug asked if there is an application process for the Grant Program.

Dan Danicic replied not at this time. One will be developed by staff. FISH would then need to apply for a grant.

Chair Haug suggested that the decision making process for an application fall on whoever is the Public Works Director. There needs to be someone underneath the City Manager for approval of the grants.

Ernie Amundson asked who would set the criteria.

Dan Danicic replied Public Works and the Finance Department.

Ernie Amundson asked how they conclude amount is considered low-income.

Dan Danicic replied the official low income level is published yearly by HUD and that amount would be followed.

Chair Haug suggested a way to be sure the money is accounted for would be to have those folks come to a CRRC meeting and present how the money is being used. This would also give an opportunity for the public to get involved.

Mayor Bob Andrews asked if there be any match money by the organizations themselves.

Chair Haug added that preference could be given to those who give matching grants to encourage that process.

Mayor Bob Andrews asked Dan Danicic if he knows the demand.

Dan Danicic replied he does not know at this time but can get an idea how many FISH has served.

Chair Haug stated his concern with the abuse of the system. A presentation from the organizations who are asking for grant money may need to be a requirement to release the funds to them. This will give the CRRC opportunity to voice concerns, if any, to Dan Danicic before a decision is made.

Military Credit Program:

Dan Danicic discussed the Military Credit Program that is patterned after the City of Eugene. The City of Newberg would provide a monthly \$10 utility bill credit to households in which a wage-earning member is on active military duty or has been on active military duty in the last 12 months. The owner of the household utility account may submit an application along with evidence of eligibility to the Newberg utility billing staff. Approved households will receive the credit for 12 months. After 12 months, customers must re-apply to continue receiving the credit.

Chair Haug, as well as the other members, all agreed it's a good way to start the program.

Mayor Bob Andrews asked if they are on active duty now or over the past 12 months, administratively would he consider the Head of Household being able to make the application for the military active member.

Dan Danicic replied yes.

Ernie Amundson asked if this is limited to City customers.

Dan Danicic replied it's for the Springs' customers as well.

Mayor Bob Andrews stated the Springs' customers are identified but what about the water district. Are they excluded?

Elizabeth Comfort replied that would be a District decision.

Dan Danicic added that since it is City money, they would have to be inside the City.

Ernie Amundson stated those customers pay the water bill too.

Chair Haug asked how those customers are billed.

Dan Danicic explained the process and stated for a Water District customer, they would have to come to the City and a check for \$10 would be cut for them per month.

Ernie Amundson stated they would have to be treated as a business.

Chair Haug added if they get a bill from the District, the District should discount the \$10 to the individual.

Charles Zickefoose stated the district should be a business and excluded.

Ernie Amundson expressed his agreement with that.

Mayor Bob Andrews expressed his concern of preferential treatment.

Dan Danicic replied the number of Springs' customers that will qualify will be small.

David Maben suggested the individuals who stand in need who live in apartment complexes could go to FISH or other organizations for help.

Mayor Bob Andrews asked how someone living in a multi family dwelling being served by one meter would work.

Dan Danicic replied there is no relief because utilities are included in the rent, but other organizations can help with that as David Maben had stated.

Chair Haug stated the non-profit organizations need to come in to justify the allocation of funds.

Voluntary Donation:

Dan Danicic explained Newberg utility customers will be sent an assistance program description notice and voluntary donation form once each year. The donation form will give customers the option of making a one-time donation or a regular monthly donation to be paid with their utility bill. 100% of the funds collected will be used to offset the cost of the utility bill assistance program.

Ernie Amundson suggested it should be reviewed every 6 months.

Mayor Bob Andrews asked if the additional amount for a donation could be deducted from an individual's taxes, which could enhance contributions and give credibility to the program.

Chair Haug stated it has to be given to a non-profit organization to be tax deductible. He also stated he would like to see more structure to this program, especially if the dispersal of funds.

Dan Schutter asked about additional programs that could be added, such as a leak repair assistance program and if some of the money donated could help those individuals.

Charles Zickefoose asked if anyone is aware of how the power companies do this and what criteria they use. If there is published data the CRRC could take a look at it.

Dan Danicic stated he would look into it.

Dan Schutter asked what happens if there is more received then the \$4,000 received.

Dan Danicic replied the difference would be figured in for next year and the difference modified.

Public Awareness:

In addition to notices sent in utility bills as part of the Voluntary Donation Program, Newberg citizens can be made aware of these programs through the City of Newberg website, information cards distributed at customer service counters, in delinquent bill payer utility bills, and postings in locations where utility bills are paid.

Chair Haug suggested a press release in the Graphic would also be helpful.

David Maben suggested a posting at the Senior Center, as well.

Chair Haug asked Dan Danicic if he can take the suggestions from the CRRC discussed in this meeting, update the information and present it to the committee at the next meeting.

Dan Danicic stated he would do that and send out a copy by mail to each member. The committee, if ready, can vote on it at the January 30, 2008 meeting.

5 Minute Break

4. Biennial Rate Review – Storm Water:

Dan Danicic stated the Systems Development Charge funds are to reimburse developers for the construction cost to oversize storm lines through new developments and for increasing capacity of storm water replacement projects which Dan explained in detail.

Debbie Garaldi explained the projects have to be eligible for SCDs and there are some cash flow issues that need to be addressed. She reviewed the 5 – Year Financial Plan including the anticipated O&M costs and additional staffing that will be needed to handle this.

Chair Haug asked about the unreserved fund balance.

Debbie Galardi explained that's projected to be the funds left over.

Elizabeth Comfort stated that they've been working on saving up money to help toward the Capital Funds Projects. In each budget there are reserves to help assist if something unseen does occur. A reserve is similar to a savings account. There is approximately \$100,000 in this account.

Debbie Galardi stated that in order to fund this program, the additional staffing and rate analysis needs to be increased. She referred to the 2007 Rate Comparison.

Ernie Amundson asked why rates are being raised instead of reductions of overhead, such as hiring contractors.

Dan Danicic replied that in order to provide a greater level of service you must have a better staffed crew, rather than contracting the work out and explained in detail the crossover work that is done to keep the crews small.

David Maben stated some work can be done by contractors.

Dan Danicic replied yes, but how much.

Chair Haug stated the City needs to be staffed to take care of this.

Dan Schutter expressed how it's becoming too expensive to live in Newberg. He understands Ernie's point.

Ernie Amundson asked about the hiring criteria.

Dan Danicic replied it depends on the position level.

Chair Haug believes the staff should be paid well for what they do and it must be maintained. Managing City costs should be addressed by the City Manager.

Dan Danicic continued on to say wastewater rates are going to be quite challenging this year since a plant expansion is needed for wastewater treatment.

Chair Haug asked for each committee member to give their final thoughts for the evening on what has been discussed.

Charles Zickefoose stated he has no problem with this; the programs need to be done. The City Staff is doing an excellent job on balancing the work load.

Dan Schutter has some concerns on the rate. It's hard to swallow. He won't argue the work is needed, but if the cost of living goes up in Newberg it won't be good. This needs careful consideration.

Mayor Bob Andrews stated he found this very helpful. He would like to hear any suggestions they may have to help with efficiencies.

Ernie Amundson understands that at some point these projects need to be done, but raising rates is not good.

David Maben stated it's hard to justify when the public doesn't see where the money is going.

Chair Haug stated that Newberg needs to have maintenance and capital improvements. We're here to identify the costs and allocate fairly who pays for those. Cutting costs is not the job of this committee. Increases are difficult as well as living in Newberg, but it is being worked on by the Newberg Planning Commission as far as affordable housing is concerned. The CRRC needs to present these to the City Council and this is the best way to pay for those.

Mayor Bob Andrews informed the CRRC he will not be in attendance at the January 30, 2008 meeting.

MOTION: Schutter/Amundson to adjourn at 9:28 PM until the next meeting on January 30, 2008 at the Wastewater Treatment Plant. Motion carried by voice vote.