

Tuesday, 7 P.M.

June 29, 2004

**CITIZENS RATE REVIEW COMMITTEE
MINUTES**

Public Safety Building

Newberg, Oregon

Members Present:

Ernie Amundson

Blane Hansen

Lou Larson

David Maben

Dan Schutter

Jeff Ratcliffe

Lon Wall (chair)

Members Absent: Matson Haug

Others Present: Dan Danicic, City Engineer
Kathy Tri, Finance Director
Jadene Stensland, Utility Engineer
Debbie Galardi, Consultant
James Bennett, City Manager

1. Call to Order

The meeting was called to order at 7:00 PM by Chair Lon Wall.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Minutes

None.

4. Old Business: Storm Water Rates

Debbie Galardi reviewed the changes to the financial plan: reduced CIP by \$350,000 (moved two projects to 2009-10), added \$10,000 for public education program, added 60 day contingency and phased in rates. She then reviewed the rate scenarios: different rate schedule or equal rates between classes. She noted that current rates are not fully funding the program. To fund the current program would require a differential rate increase of 30% and to fund O&M and capital would require a 65% increase. For an equal rate the increases would be 9% and 40%, respectively.

The staff recommendation was to fund the CIP with cash, including systems development charges (no debt service), fully fund O&M and phase in capital, have equalized rates and include a credit program. These recommendations would result in a 22% increase and assumed some credits (10% eligibility).

Lon Wall asked what composed the non-rate revenue. Debbie Galardi responded that non rate revenue included interest earnings, fund balances, and reimbursements from capital projects. She added that the "transfer" was only rate money. Dan Danicic added that only a small portion of the projects were SDC eligible. Dan Schutter asked if the city's EDU measurement was comparable to other jurisdictions. Debbie Galardi

The meeting adjourned at 8:00 p.m. The next meeting date will be July 13, 2004 at 7:00 p.m. at the Public Safety Building.

Approved by the Citizens Rate Review Committee on this July 13, 2004.

Next Meeting: Public Hearing on Storm Water Rates