

**OAK LODGE SANITARY DISTRICT
PRELIMINARY BUDGET COMMITTEE MEETING
DISCUSSION
April 6, 2011**

CALL TO ORDER President William Wild called the Preliminary Budget Committee Meeting of Oak Lodge Sanitary District in Clackamas County, Oregon to order at 6:04 p.m. in the District office, 14611 SE River Road, Milwaukie, Oregon.

BUDGET COMMITTEE MEMBERS PRESENT Declaration of a Quorum: President, William Wild; Vice-President, Jim Martin; Tom Foeller, Terry Gibson, and Ginny Van Loo.

Budget Committee Members present were Leah Robbins, Budget Committee Member, Position No. 2; Lynn Fisher, Budget Committee Member, Position No. 1; Leonard Waldemar, Budget Committee Member, Position No. 3; Henry Michalke, Budget Committee Member, Position No. 4; and Henry Schmidt, Budget Committee Member, Position No. 5; and Charlie Stephens, Alternate Budget Committee Member.

STAFF PRESENT Staff present were J. Michael Read, General Manager, Budget Officer and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; Faith Paddock, Administrative Services Manager; Mark Walter, Operations Manager; and Jeff Voreis, Accountant.

OTHERS PRESENT There were no members of the public present.

BUDGET PROCESS: J. Michael Read, Budget Officer General Manager Read welcomed the Budget Committee and introductions were made.

FISCAL YEAR 2011-2012 DRAFT BUDGET: J. Michael Read Manager Read presented the budget and budget development strategy for fiscal year 2011-2012. Manager Read's presentation included a review of the FY2011 - 2012 budgeted resources for sanitary sewer and surface water management programs. The primary focus of the presentation was on the District's service programs, fund structure, revenue sources, and issues and trends facing the District currently and in the future.

Faith Paddock, Administrative Services highlighted services and programs for FY 2011-2012 such as online bill payment through a District web extension, utility billing services upgrade, document management software, and the development of the District's website and Intranet.

There was a lengthy discussion amongst the budget committee members, the Board and Ms. Paddock relative to software program purchases, costs associated with programs that require maintenance contracts, streamlining current processes, cash payments, auditing, resource allocation, reports, and insurance costs. Some members of the Board and Budget Committee expressed concerns about the rising

costs associated with maintaining software licenses and if at some point wondered if the District would consider other less expensive software alternatives.

Brett Arvidson, Manager of Planning and Engineering highlighted services and projects like the treatment plant renovation, completing an IT MasterPlan, implementing the SWM strategic plan, Capital Improvement funding strategy for the Surface Water Management Program, and developing management tools for IT services.

Mark Walter, Operations Manager gave an overview of the services and programs for plant operations and the treatment plant project. The presentation highlighted safety initiatives and equipment, CMMS Project, collection system assessment, EPA Pretreatment Program, CMOM (Capacity Management Operations & Maintenance) and the inventory and cleaning of the collections system.

There were questions for Mr. Walter regarding teamwork, the 2014 timetable for inspection and how the East Avenue issue was discovered. Mr. Walter briefly explained some of the current projects underway to correct system problems. There were a few questions regarding the biosolids program and transportation.

Mr. Read continued the budget presentation with a review of the general fund resources, rate increases for sanitary sewer and surface water management, SSS Capital Improvement Fund, System Development Charge Fund, Debt Service Fund(GO Bond), and Debt Service Fund (State Loan). Additional comments from Mr. Read were that the Administration Expenditures are down 19%; SSS Operations Expenditures are down 3%; SWM Operational Expenditures are up 10%; SSS Transfers to CIF are down 59%; and SWM Transfers to CIF are down 31%.

There was a lengthy discussion about increasing the SWM rate from the current fixed rate of \$6.00/month to either \$6.50 or \$7.00. Many of the budget committee members and the Board were in favor of increasing the fix rate to \$7.00/month.

President Wild complimented and thanked Jeff Voreis for his work on the budget document; he thanked the Budget committee members for their continued work and efforts; and he thanked Mr. Mark Walter for his insight and presentation regarding operations.

There was not further discussion.

ADJOURNMENT

There being no further business to come before the Oak Lodge
Sanitary District Budget Committee, the meeting was adjourned at
8:14 p.m.



William Wild, President of the Board

Attest:



J. Michael Read, Secretary