

CITIZENS' RATE REVIEW COMMITTEE AGENDA *(revised)*
THURSDAY, NOVEMBER 5, 2015
6:30 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PUBLIC COMMENTS

(30 minutes maximum, which may be extended at the Chair's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

IV. CONSENT CALENDAR

1. Approve minutes from the October 15, 2015 meeting.
2. Updated meeting calendar

V. NEW BUSINESS

1. Review Requested Information from October 22 meeting
2. Conclude Stormwater Rates

VI. ADJOURNMENT

Next Meeting: November 19, 2015 at 6:30 pm at the Public Safety Building.

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please call (503) 554-7793.

The Committee accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the Secretary. The Chair reserves the right to change the order of the items on this agenda.

**CITY OF NEWBERG
CITIZENS' RATE REVIEW COMMITTEE
THURSDAY, OCTOBER 15, 2015
6:00 PM MEETING**

PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)

I. CALL MEETING TO ORDER

The meeting was called to order at 6:00 PM.

II. ROLL CALL

Members Present: Rick Rogers, Chair Blair Didway, Vice Chair Marilyn van Grunsven
Nick Morace Sarah Grider Bill Rourke, Secretary
Holly Bradford

Staff Present: Steve Rhodes, City Manager Pro Tem Matt Zook, Finance Director
Jay Harris, Public Works Director Kaaren Hofmann, City Engineer
Truman Stone, City Attorney Caleb Lippard, Assistant Finance Director

Others Present: ??

III. COMMITTEE BUSINESS

1. Election of Chair, Vice Chair, and Secretary

The Committee unanimously appointed Rick Rogers as Chair, Blair Didway as Vice Chair, and Bill Rourke as Secretary.

There was discussion regarding the duties of Secretary.

2. Review of the Newberg Municipal Code regarding Committee

Mr. Rourke said regulations stated family members could not serve on the same committee. He acknowledged that his son was a City Councilor and wanted to make sure it was not a problem.

City Attorney Truman Stone said the Council appointed him to the Committee, and Mr. Stone could bring the issue forward to get input from the Council. His opinion was Mr. Rourke was on the Committee and fully serving as a Committee member.

Finance Director Matt Zook reviewed the Municipal Code regarding the Committee's organization, purpose, and duties.

3. Public Comment Procedure

FD Zook discussed the public comment procedure forms.

4. Membership Roster and Terms

Chair Rogers had each Committee member and staff person introduce themselves.

Mr. Didway arrived at 6:15 PM.

5. Meeting Schedule

Chair Rogers reviewed the meeting schedule.

Public Works Director Jay Harris said the schedule did not include a review of the Springs rates. The Council was discussing transfer of ownership to a non-profit user group and negotiations were bumpy right now. A meeting might need to be added to the schedule if the system remained in City ownership.

Mr. Rourke requested the meetings start at 6:30 instead of 6 PM.

There was consensus to start the meetings at 6:30 PM.

6. Roberts Rules of Order

FD Zook described the Roberts Rules of Order in general. CA Stone recommended using Roberts Rules as a guide on how to get issues before the Committee for a vote, but not to get hung up on procedures.

7. Committee Ethics

CA Stone discussed Oregon ethics law, public meetings law, public records law, potential and actual conflict of interest, government ethics violations, and ex parte contact.

IV. PUBLIC COMMENTS – None.

V. CONSENT CALENDAR – None.

VI. NEW BUSINESS

1. Review/Recap Financial Information

A. Utility Bill Overview

Assistant Finance Director Caleb Lippard presented information on “Understanding your Utility Bill.” He explained the charges shown on customers’ bills. The City assumed the average water usage of 200 cubic feet per person.

There was discussion regarding the possibility of a \$10 fee applied to meter charges for transportation improvements.

B. FY 2015-16 Budget Overview

PWD Harris gave an overview of the wastewater, water, and storm water budget including the facilities in each system, where the funding came from, projects in the Capital Improvement Plan, employees, and how much was in each fund. He suggested the Committee take tours of some of these facilities. Wastewater rates increased 5.75% on January 1, 2015, and the Wastewater SDC was increased 2.3%. Water rates increased 7% on January 1 and Water SDCs were increased 2.3%. Storm water rates increased 9% on January 1 and Storm Water SDCs increased 2.3%.

There was discussion regarding the capital improvement projects, the 2.3 CPI used for rate increases, SDCs, and inflow and infiltration.

C. Utility Debt Overview

FD Zook gave an overview of the City's debt. He explained the approaches of pay as you go and long term debt as well as how several projects were being paid for. The City had recently rolled six debt loans into one, of which five loans were from the State, and he discussed the savings the City would receive from the consolidation. There were some projects that were not yet completed but would be included in the City debt when done. The total current debt and pending debt was about 42 million dollars for water/wastewater projects.

2. Capital Improvement Projects Plan Basics

City Engineer Kaaren Hofmann gave a background on the capital improvement program. This program was for projects that were identified to fill the needs of the City. She explained how the needs were identified, reasons for the program, and then reviewed the projects listed for storm water, wastewater, and water.

Mr. Rourke would like to get comparisons on benchmarks around the State and neighboring cities.

FD Zook said staff would be presenting that information at a later meeting. There was a new tool being developed for rate comparisons that could be useful as well.

Ms. Grider reported for the record that her husband was on the Traffic Safety Committee.

Mr. Didway suggested seasoned members of the Committee pass on valuable information to new members. CMPT Rhodes said members could meet one on one, but cautioned to not have a quorum or talk about substantive decisions the Committee would be making.

Chair Rogers encouraged new members to ask questions. FD Zook said questions could be emailed to Chair Rogers to coordinate answers back from staff.

Chair Rogers also encouraged the Committee to keep the meetings to the two hours, 6:30 to 8:30 PM, when possible.

Ms. van Grunsven requested in the comparisons with other cities that similar geological conditions be included.

Mr. Rourke thought it would be helpful to get advice on how to handle questions and comments from the public.

Chair Rogers disclosed that he originally came on the Committee as the Springs representative. He had since moved into town, but still owned a house in the Springs.

VII. ADJOURNMENT

The meeting adjourned at 7:50 PM.

Approved by the Citizen's Rate Review Committee on this 5th day of November, 2015.

Citizens' Rate Review Committee
Meeting Schedule
Public Safety Building Training Room
(401 E. Third St)
6:30 to 8:30 p.m.
Revised October 22, 2015

These Topics may be subject to revision, based on Council agendas

<i>DATE</i>	<i>TOPIC</i>
October 15, 2015 (Thurs)	Introduction
October 22, 2015 (Thurs)	Present Stormwater Rates
November 5, 2015 (Thurs)	Conclude Stormwater Rates
November 19, 2015 (Thurs)	Present Wastewater Rates
December 3, 2015 (Thurs)	Conclude Wastewater Rates
December 17, 2015 (Thurs)	Additional Meeting (if needed)
January 7, 2016 (Thurs)	Present Water Rates
January 21, 2016 (Thurs)	Conclude Water Rates / Final Wrap-Up / Town Hall Preparation
February 4, 2016 (Thurs)	Town Hall/Public Hearing at PSB
February 18, 2016 (Thurs)	Follow-up on TH / Rate Recommendation

City of Newberg Stormwater Rate Analysis

Table 1

PROJECT	Fiscal Year						TOTAL	SDC	SDC \$
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
S. Blaine Street; Hancock - 11th Street	\$450,000	\$300,000	\$300,000	\$300,000			\$1,350,000	5%	\$67,500
Villa Road Improvements @ Hess Creek	\$120,000	\$150,000					\$270,000	25%	\$67,500
S. Center Street					\$180,000	\$300,000	\$480,000	5%	\$24,000
TMDL Requirements		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	0%	\$0
WQ Maintenance		\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000	0%	\$0
SW Design Manual Update			\$20,000				\$20,000	0%	\$0
N. Elliot					\$250,000		\$250,000	5%	\$12,500
520 W 3rd Property Purchase	\$15,636						\$15,636		
MULTI FUNDED PROJECTS (Stormwater Share Only)									
Maintenance Facility - Fleet				\$187,500			\$187,500	20%	\$37,500
Maintenance Facility - Administration						\$250,000	\$250,000	20%	\$50,000
Maintenance Facility - Site Work			\$100,000				\$100,000	20%	\$20,000
Total CIP (\$2015)	\$585,636	\$500,000	\$470,000	\$537,500	\$480,000	\$600,000	\$3,173,136		\$279,000
Inflation-Adjusted *	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564	\$3,422,408		
Stormwater Only Projects	\$585,636	\$515,000	\$392,533	\$382,455	\$540,244	\$405,745	\$2,821,613		
Multifunded Projects	\$0	\$0	\$106,090	\$204,886	\$0	\$289,819	\$600,795		
By Funding Source									
Rates	\$533,136	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564	\$3,143,408		
SDC	\$52,500	\$52,500	\$35,000	\$52,500	\$21,500	\$65,000	\$279,000		
Total Inflation Adjusted	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564	\$3,422,408		

*Revised slightly from page 12 of 10/22 presentation to reflect 3% capital inflation (instead of 3.5%)

Table 2

Capital Funding Sources*	Total
Existing Reserves	\$684,702
Current Rates	\$2,508,070
SDCs	\$229,636
Total Sources	\$3,422,408
Inflation-Adjusted CIP	\$3,422,408
Ending Reserves	\$0
Total Uses	\$3,422,408

*Revised slightly from page 12 of 10/22 presentation to reflect 3% capital cost inflation (instead of 3.5%)

Table 3

Operation & Maintenance (O&M) Costs

	Fiscal Year		
	2015/16	2016/17	2017/18
Personnel	\$638,188	\$650,441	\$676,459
Materials & Services	\$27,220	\$27,476	\$28,300
Contractual Services	\$43,500	\$27,113	\$27,926
TMDL & Quality Outreach	\$16,500	\$16,655	\$17,155
Utilities & Fuel	\$22,525	\$22,957	\$23,876
Repair & Maintenance	\$82,700	\$88,724	\$90,798
Internal Svc Charges	\$167,486	\$173,875	\$180,518
Franchise Fee	\$61,255	\$66,789	\$73,163
Vehicle/Computer Replacement	\$20,000	\$91,000	\$91,000
Capital Outlay	\$50,000	\$0	\$37,500
Adjusted % of budget spent	\$1,129,374	\$1,165,030	\$1,246,695
	\$1,112,762		

Table 4

Annual Revenue Requirements from Rates

Item	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue Requirements:						
O&M Costs	\$1,112,762	\$1,165,030	\$1,246,695	\$1,235,663	\$1,312,254	\$1,393,594
Rate & Reserve Supported Capital	\$582,500	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564
Total Revenue Requirements	\$1,695,262	\$1,627,530	\$1,710,318	\$1,770,504	\$1,830,998	\$2,024,158
Less:						
Uses of Reserves	\$439,910	\$260,554	\$217,055	\$138,502	\$46,529	\$72,332
Nonrate Revenues	\$30,250	\$31,195	\$30,003	\$29,117	\$28,655	\$28,359
Revenue Requirements from Rates	\$1,225,102	\$1,335,781	\$1,463,259	\$1,602,885	\$1,755,814	\$1,923,467
Projected Sales Revenue*	\$1,225,102	\$1,335,781	\$1,463,259	\$1,602,885	\$1,755,814	\$1,923,466
<i>Projected Rate Increase</i>		9.00%	9.00%	9.00%	9.00%	9.00%
<i>Typical Residential Bill</i>	\$8.67	\$9.45	\$10.30	\$11.23	\$12.24	\$13.34
<i>Bill Change</i>		\$0.78	\$0.85	\$0.93	\$1.01	\$1.10

*2015/16 Adjusted slightly from page 11 of 10/22 presentation to reflect current customer data

Table 5

Capital Fund Summaries

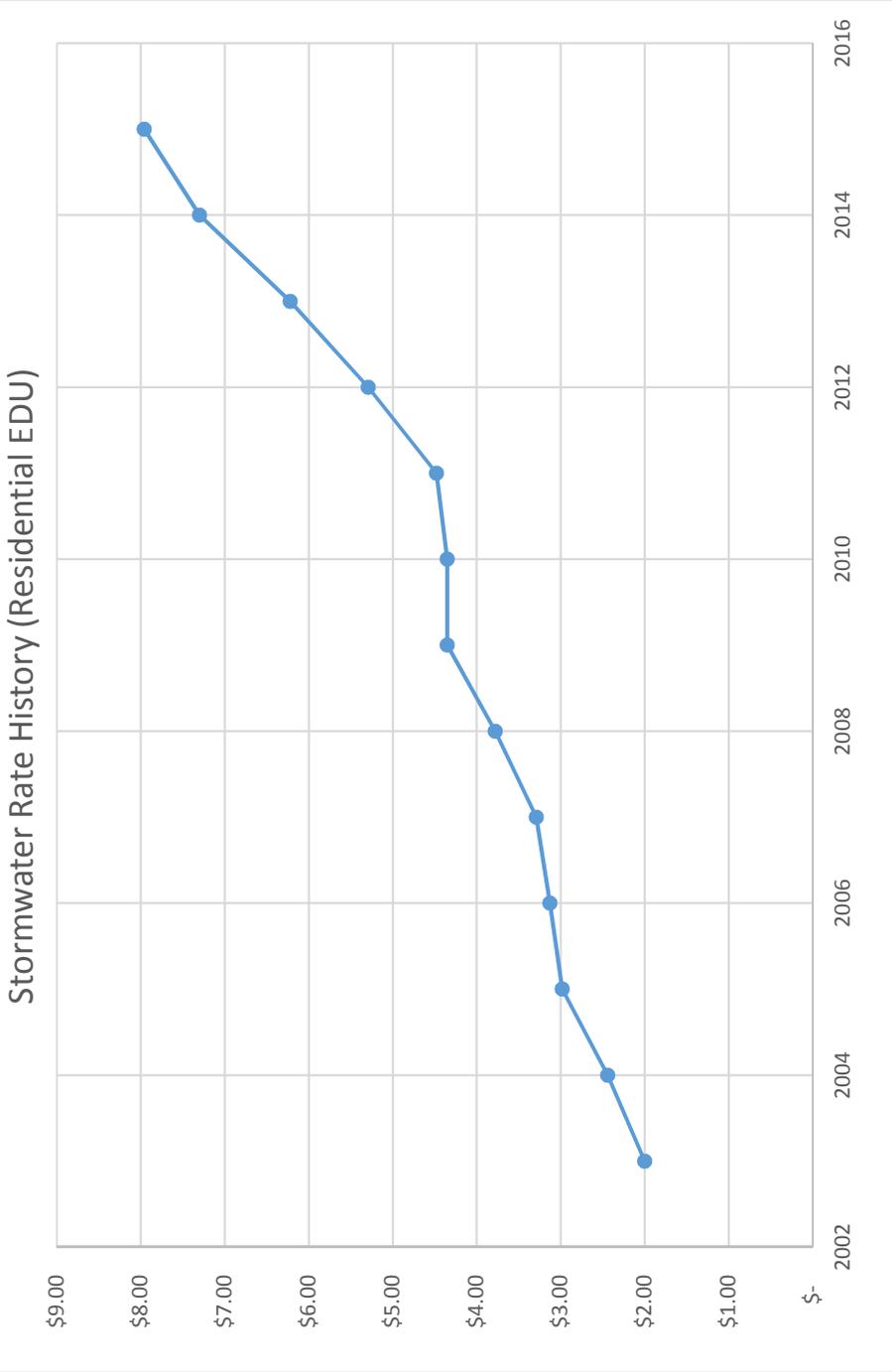
Fund/Description	Adj. Budget					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Storm Water System Development Fund						
Sources of Funds						
Beginning Fund Balance -- July 1	\$131,417	\$132,261	\$95,329	\$75,755	\$38,540	\$38,540
Interest	\$800	\$568	\$427	\$285	\$176	\$68
System Development Charges	\$3,180	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Sources of Funds	\$135,397	\$147,829	\$110,755	\$91,040	\$53,717	\$53,608
Uses of Funds						
Transfers -- Capital Projects	\$3,136	\$52,500	\$35,000	\$52,500	\$21,500	\$65,000
Ending Fund Balance -- June 30						
Fund Balance	\$132,261	\$95,329	\$75,755	\$38,540	\$32,217	(\$11,392)
Total Uses of Funds	\$135,397	\$147,829	\$110,755	\$91,040	\$53,717	\$53,608
Capital Projects Fund						
Sources of Funds						
Beginning Fund Balance -- July 1	\$0	\$0	\$0	\$0	\$0	\$0
Transfer -- Rates	\$582,500	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564
Transfer -- System Development	\$3,136	\$52,500	\$35,000	\$52,500	\$21,500	\$65,000
Total Sources of Funds	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564
Uses of Funds						
Stormwater Only CIP	\$585,636	\$515,000	\$392,533	\$382,455	\$540,244	\$405,745
Multifunded Projects CIP	\$0	\$0	\$106,090	\$204,886	\$0	\$289,819
Ending Fund Balance -- June 30	\$0	\$0	\$0	\$0	\$0	\$0
Total Uses of Funds	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564

Table 6

Operating Fund Summary

Fund/Description	Budget					
	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
Storm Water Fund						
Sources of Funds						
Beginning Fund Balance -- July 1	\$731,489	\$976,281	\$715,727	\$498,671	\$360,169	\$313,641
Interest Earned	\$2,800	\$4,195	\$3,003	\$2,117	\$1,655	\$1,359
Reimbursed Cost	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000
User Fees	\$1,225,102	\$1,335,781	\$1,463,259	\$1,602,885	\$1,755,814	\$1,923,466
Erosion Control Permits	\$450	\$0	\$0	\$0	\$0	\$0
Dev Review and Inspection Fee	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Transfer In-Stormwater Replace & Reserves	\$684,702					
Total Sources of Funds	\$2,671,542	\$2,343,257	\$2,208,989	\$2,130,673	\$2,144,639	\$2,265,466
Uses of Funds						
O&M Costs	\$1,112,762	\$1,165,030	\$1,246,695	\$1,235,663	\$1,312,254	\$1,393,594
Transfer -- Capital Projects	\$582,500	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564
Ending Fund Balance -- June 30						
Reserve	\$157,683	\$524,215	\$293,735	\$157,047	\$97,928	\$25,595
Operating Contingency	\$818,598	\$191,512	\$204,936	\$203,123	\$215,713	\$215,713
Total Uses of Funds	\$2,671,542	\$2,343,257	\$2,208,989	\$2,130,673	\$2,144,639	\$2,265,466

City of Newberg



Year	Rate/EDU	% Increase	Amount Increase
2003	\$ 2.00		
2004	\$ 2.44	22%	\$ 0.44
2005	\$ 2.98	22%	\$ 0.54
2006	\$ 3.13	5%	\$ 0.15
2007	\$ 3.29	5%	\$ 0.16
2008	\$ 3.78	15%	\$ 0.49
2009	\$ 4.35	15%	\$ 0.57
2010	\$ 4.35	0%	\$ -
2011	\$ 4.48	3%	\$ 0.13
2012	\$ 5.29	18%	\$ 0.81
2013	\$ 6.22	18%	\$ 0.93
2014	\$ 7.30	17%	\$ 1.08
2015	\$ 7.96	9%	\$ 0.66

City of Newberg
Capital Project Expenditures
Fiscal Year 2011-2015

	Fiscal Year					Total
	2011	2012	2013	2014	2015	
Project Name						
Illinois Street Construction	33,808					33,808
Vermillion Drain to Creek		16,525				16,525
Crestview Drive (Oxberg Lake)		90,178				90,178
Master Plan Update			44,640	228,026	5,694	278,360
Blaine St (2nd-9th)					7,306	7,306
Capital Purchases						
520 W 3rd Property Purchase					226,272	226,272
	33,808	106,703	44,640	228,026	239,272	652,449