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Board of Directors

Position 1 – Joe Spendolini
Position 2 – Kevin Harter
Position 3 – Mike Koger

District Secretary

Brett Blofsky

BUDGET COMMITTEE MEETING MINUTES

May 10, 2022

5:00 PM

1. **Call to Order-** Director Harter called the meeting to order at 5:00pm
2. **Roll Call of Committee Members** – Director Harter, Director Koger, and Director Spendolini were present. Citizen Budget Committee Members Heather Harter, Anders Rasmussen, and Jason Wilson were present. District Employees also in attendance were Budget Officer/District Manager Brett Blofsky, Director of Administrative Services Cindy Oden, Treatment Plant Supervisor Sally Bratton, and Collections Supervisor Jason Morrow.
3. **Introductions of Committee Members** – Introductions were established.
4. **Appoint Budget Committee Chairman** – Citizen Heather Harter volunteered to be the Budget Committee Chairman and was unanimously appointed by the Committee.
5. **Reading of the Budget Message** – Budget Chairman Harter asked Budget Officer Blofsky to read the Budget Message for Fiscal Year 2022-2023.
6. **Budget Discussion by Budget Committee** – The following are the highlights from the discussion on the budget for FY 2022-2023

Director Spendolini asked for clarification on the anticipated drop in investment income versus the previous year budget amount. Cindy explained most of it was due to the actual interest rates for this fiscal year coming in below budget, so we projected the new amount based on the actual rates we've received this year. Overall revenue is expected to be within 1% of the current Fiscal Year.

Budget Officer Blofsky explained the Administration department proposed budget is 4% lower than the previous fiscal year mainly due to the change in personnel being new and are compensated at a lower rate.

Budget Officer Blofsky explained the Collections department is showing a reduction in personnel services, but engineering services and educational expenses increased due to the changes in management and having newer employees.

Budget Officer Blofsky explained the increase in Legal Fees for the Treatment department were due to the expected work to be done on the water rights issue and the legislative effort needed to ensure we can meet the future DEQ requirements.

For the sludge removal capital outlay project, Director Harter asked if we should investigate the cost of building 2 new ponds and decommissioning Pond 4. He feels this would be less expensive since removing the

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sludge and relining pond 4 would probably take 2 years. Director Spendolini felt more research is needed as soon as possible to see what a viable alternative will be. Citizen Budget member Rasmussen added that we should also investigate other ways to estimate the amount of sludge in the pond due to the questionable accuracy of the sonar technology that was used. Due to these facts, the name of this capital project will change to Sludge Mitigation.

Budget Officer Blofsky informed the committee the contract with Southern Oregon Solutions needs to be added to the budget. It was at this time, Director Spendolini declared an actual conflict of interest and abstained from all discussion. Thirty percent of the contract needs to be split evenly between collections and treatment, and the remaining seventy percent needs to be added to the Facility Plan capital project (See Item 8 below).

Director Harter had concerns we didn't have enough money dedicated to the Wetlands Planning project and felt we needed to add more to it. The other committee members agreed (See Item 8 below).

7. **Public Input** – There was no public input presented.

8. **Budget Changes or Corrections**

- a. **Collections Department – Increase Legal/Professional Services by \$14,500**
- b. **Treatment Department – Increase Legal/Professional Services by \$14,500**
- c. **Treatment Capital Outlay Projects**
 - i. **Facility Plan – Increase by \$67,000**
 - ii. **Pond/Sludge Removal – Reduce by \$96,000 and another \$75,000**
 - iii. **Wetlands Planning – Increase by \$75,000**

9. **Motion to Approve the Budget** – Budget Chairman Harter asked if anyone wanted to make a motion to approve the budget as discussed. Prior to the motion being made, Director Spendolini stated an actual conflict of interest and therefore abstained himself from voting on the budget. Citizen Budget Committee member Jason Wilson made a motion to approve the FY 2022-2023 as discussed. The motion was seconded by Board Chairman Harter, and it passed with 5 Yes votes, 0 No votes, and 1 Abstention.

10. **Call for the good of the order** – Budget Chairman Harter asked for a call for the good of the order and thanked everyone for volunteering their time to participate and assist the District with the budget process.

11. **Adjourn** – Director Harter moved to adjourn the meeting at 6:20pm.

ATTEST:

Brett Blofsky, Board Secretary

Kevin Harter, Board Chairman

Date