



## [MRE ROAD DISTRICT MINUTES MARCH 9, 2011]

### MARYS RIVER ESTATES ROAD DISTRICT MEETING – Approved MINUTES

Meeting called to Order 6:34 pm present: John Borowski (Commissioner-Secretary), Robyn Lillehei (Commissioner – President), Laura Berman (Commissioner – Treasurer), Dave Harry, Brian Bach, Lee Kitzman, Linda Waymire

Minutes of February 3rd meeting were reviewed. RL moved to approve as is, LB seconded.

**Open Forum:** Discussion of new agenda and how to use time. DH thinks emails best presented during Open Forum time. Concern expressed about gravel on pavement in newly rocked shoulders – all due to cars running off asphalt and spraying gravel after recent work was completed.

6:45pm Yvette Spitz arrived

John Borowski presented letter of resignation effective March 8th. Thanks were given to him for his service as Commissioner. JB departed.

Discussion of search for John's replacement and impact on upcoming budget committee meetings. DH asked whether a new person needs to attend every meeting. RL and LB expressed that all volunteers do best they can and we need to accommodate each other – absences are normal part of life and we intend to help each other with these commitments.

#### **Review of current financial information:**

There was a general discussion of bank related needs due to John's resignation including:

1. Send new list of fully authorized users to Local Government Investment Pool (State of Oregon) to drop JB and keep Laura B and Robyn L., continue to allow Brian Bach as user with access to review activity but not authorization to transfer.
2. Contact Citizen's Bank to add Laura Berman as check signer, drop John Borowski, retain Robyn Lillehei, keep Brian Bach as view only user.
3. Discussed procedures for Laura B. (who picks up mail) to contact BB with relevant financial info & statements including LGIP month-end statements (which include interest and fees) and list of bills to pay prior to each meeting.
4. Discussed monthly review by Board members of mailed statements against compiled summaries provided by BB bookkeeper – can set aside a few minutes in each monthly meeting for this.

**Bills paid:** Check # 513: \$11,587.50 to Pepper Construction; Check #514: \$110.25 to CPI (to cover through June 30, 2011 which coincides with our Fiscal Year end). Pepper Construction bill assigned to budget categories as follows: \$2,744.00 Patch & Pavement, \$8,043.50 Grade & Gravel, \$800.00 signs. Current financial balance sheet info submitted by BB (Appendix A). Current Balance of all accounts is \$56,319.56 in Bank account and in Government account.

#### **Status of present work and other current business:**

Just completed rock on edges of the asphalt is an experiment recommended by County to preserve asphalt edges. Though Pepper Construction packed the roadside gravel, best time to do rocking is when we do paving. Pothole work looks good; recent rain proved success of new drainage and road tilt angle in front of Evans' house (below Queen Anne intersection with Columbine). Pepper recommended that next time we get gravel from quarry which provides rock with harder, sharper edges which "lock" together better on road where wash-boarding occurs than our recently purchased Hockema gravel. Pepper also advised we consider use of three inch open gravel roadside, though this creates "kick out" problem of gravel on paving when cars go off the asphalt. Though culvert was opened by fence at



Tansy/Columbine intersection, it should probably be replaced soon to prevent overflow.

**Discussion on meeting times and dates of Budget Committee.** All budget meetings will occur during regular monthly meetings unless we need an additional meeting to assign tax rate, in which case an optional meeting day of Tuesday May 3<sup>rd</sup> (6:30pm) has been reserved. Schedule circulated and will be mailed in next few weeks.

**Proposal of Biennial budgeting** (two years): RL circulated a document she extracted from various online government sources which presented advantages/or not of creating a two year budget. State of Oregon, Benton County have biennial budgets. Since we are developing a clearer set of expected projects with our evolving maintenance schedule, it seems advantageous to reduce the number of meeting and preparation hours we now dedicate every year to our budget cycle. Biennial budgeting does not lock in any given set of projects; emergencies can be dealt with and can always return to an annual budget if necessary. If we propose an option levy for costly projects, that occurs outside the annual budget process and can be integrated later. RL motioned that Linda Waymire, Budget Officer prepare a biennial budget, LB seconded. We also requested preparation of budget for committee review at potential tax rates of current (2.2%), mid-level (2.5%) and maximum ceiling rate (2.9%).

RL summarized her SDAO annual meeting training February 11-12 in Eugene. Most important: we will need some "local law" changes so we can streamline public funds contracting requirements for future projects. This will probably require consultation with specialty attorney and resolutions in meetings very soon.

RL moved, LB seconded for Meeting to adjourn 8:32 PM. Respectfully submitted by Robyn Lillehei

## 03/08/2011 to Year End Budget

7/1/2010 through 6/30/2011 Using MRE RD 2010-2011 Budget

3/8/2011

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Category	7/1/2010 Actual	- Budget	6/30/2011 Difference
<b>INCOME</b>			
Interest Inc	110.36	600.00	-489.64
Taxes Received	55,254.73	62,000.00	-6,745.27
<b>TOTAL INCOME</b>	<b>55,365.09</b>	<b>62,600.00</b>	<b>-7,234.91</b>
<b>EXPENSES</b>			
Capital Expenditures	0.00	33,900.00	33,900.00
Contingency	0.00	6,000.00	6,000.00
Ditch maintenance	0.00	800.00	800.00
Dust Control	0.00	5,000.00	5,000.00
Fire evacuation fund	0.00	0.00	0.00
Grade Gravel	0.00	3,000.00	3,000.00
Insurance	1,299.00	2,000.00	701.00
Misc.	0.41	0.00	-0.41
Mowing & Tree Cutting	250.00	3,500.00	3,250.00
Office & Professional	263.18	2,500.00	2,236.82
Other	2,198.18	5,000.00	2,801.82
Patch Pavement	2,904.26	8,500.00	5,595.74
Signs & Lights	130.50	400.00	269.50
<b>TOTAL EXPENSES</b>	<b>7,045.53</b>	<b>70,600.00</b>	<b>63,554.47</b>
<b>OVERALL TOTAL</b>	<b>48,319.56</b>	<b>-8,000.00</b>	<b>56,319.56</b>

# Register Report - All Dates

5/25/2010 through 3/8/2011

3/8/2011

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Date	Account	Num	Description	Memo	Category	Clr	Amount
<b>BALANCE 5/24/2010</b>							<b>0.00</b>
5/25/2010	Public Funds		Opening Balance		[Public Funds]	R	3,000.00
5/26/2010	Public Funds		Chk Orders Harland CLARKE/258027	CHK ORDERS HARLAND CLARK...	Office & Professional	R	-102.13
6/7/2010	Public Funds		Lgip Ach Oregon St TREAS/940091	LGIP ACH OREGON ST TREAS/9...	Taxes Received	R	6,000.00
6/8/2010	Public Funds		Deposit	DEPOSIT	Other Inc	R	1,976.93
6/8/2010	Public Funds	501	Ed's Grader Service	Ed's grader service	Mowing & Tree Cutting	R	-1,762.50
6/10/2010	Public Funds	502	BCPW Dust Control	BCPW dust control	Dust Control	R	-5,892.76
6/10/2010	Public Funds	503	USPS	USPS	Office & Professional	R	-40.00
6/30/2010	Public Funds		Total Service Charge	TOTAL SERVICE CHARGE	Office & Professional	R	-7.48
7/9/2010	Public Funds	504	NIC LLC	NIC LLC	Mowing & Tree Cutting	R	-250.00
7/31/2010	Public Funds		Total Service Charge	TOTAL SERVICE CHARGE	Office & Professional	R	-7.12
8/23/2010	Public Funds		Reversal Of Service CHARGE/	REVERSAL OF SERVICE CHARGE/	Office & Professional	R	7.48
8/23/2010	Public Funds		Reversal Of Service CHARGE/	REVERSAL OF SERVICE CHARGE/	Office & Professional	R	7.12
9/10/2010	Public Funds	505	Consumers Power	Consumers Power	Signs & Lights	R	-30.50
10/19/2010	Public Funds	507	Consumers Power	Consumers Power	Signs & Lights	R	-100.00
11/5/2010	Public Funds	506	Government Ethics Commission		Office & Professional	R	-53.86
11/6/2010	Public Funds	508	Secretary Of State	Report to Secretary of State	Office & Professional	R	-40.00
12/2/2010	Public Funds	510	Benton County Public Works	Crack Sealing (Mary's River Estates)	Patch Pavement	R	-2,904.26
12/2/2010	Public Funds	511	Benton County Public Works	Striping (Mary's River Estates)	Other	R	-2,198.18
12/2/2010	Public Funds	512	Special Districts Assc Of Oregon	Insurance	Insurance	R	-1,299.00
12/7/2010	Public Funds	TXFR	Lgip Ach Oregon St TREAS/940091	LGIP ACH OREGON ST TREAS/9...	[LGIP]	R	6,500.00
12/22/2010	Public Funds	509	Robyn Lillehei	PO Box Fee 1yr \$40 and Stamps \$54	Office & Professional	R	-94.00
<b>5/25/2010 - 3/8/2011</b>							<b>2,709.74</b>
<b>BALANCE 3/8/2011</b>							<b>2,709.74</b>
<b>TOTAL INFLOWS</b>							<b>17,491.53</b>
<b>TOTAL OUTFLOWS</b>							<b>-14,781.79</b>
<b>NET TOTAL</b>							<b>2,709.74</b>

# LGIP Transaction FY to Date

7/1/2010 through 3/8/2011

3/8/2011

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Date	Description	Memo	Category	Clr	Amount
<b>BALANCE 6/30/2010</b>					<b>10,715.40</b>
7/31/2010	LGIP	Monthly Maintenance Fee	Office & Professional	R	-10.00
7/31/2010	LGIP	Interest	Interest Inc	R	5.00
8/23/2010	LGIP		Taxes Received	R	189.60
			Interest Inc	R	0.05
8/31/2010	LGIP	Interest	Interest Inc	R	5.08
8/31/2010	LGIP	Monthly Maintenance fee	Office & Professional	R	-10.00
8/31/2010	LGIP	Balance adjust (?)	Office & Professional	R	-0.70
9/10/2010	LGIP		Taxes Received	R	254.36
			Interest Inc	R	0.06
9/30/2010	LGIP	Monthly maintence fee	Office & Professional	R	-10.00
9/30/2010	LGIP	Interest earned	Interest Inc	R	5.00
9/30/2010	LGIP	balance adjust	Office & Professional	R	-0.35
10/31/2010	LGIP	balance adjust	Office & Professional	R	-0.35
10/31/2010	LGIP	interest earning	Interest Inc	R	5.21
10/31/2010	LGIP	monthly maintenance fee	Office & Professional	R	-10.00
10/31/2010	LGIP		Taxes Received	R	177.49
			Interest Inc	R	0.07
11/5/2010	LGIP		Taxes Received	R	10,093.61
			Interest Inc	R	0.53
11/12/2010	LGIP	Tax Receipts	Taxes Received	R	6,434.92
11/19/2010	LGIP	Tax Receipts	Taxes Received	R	13,668.95
11/26/2010	LGIP	Tax Receipts	Taxes Received	R	21,350.13
11/30/2010	LGIP	interest earning	Interest Inc	R	13.63
11/30/2010	LGIP	Manual Transfer-In Fee	Office & Professional	R	-1.40
11/30/2010	LGIP	Monthly Maintenance Fee	Office & Professional	R	-10.00
11/30/2010	LGIP		Taxes Received	R	684.20
			Interest Inc	R	4.24
12/7/2010	Lgip Ach Oregon St TR...	LGIP ACH OREGON ST TREAS/940091...	[Public Funds]	R	-6,500.00
12/31/2010	LGIP	interest earning	Interest Inc		24.75
12/31/2010	LGIP	Monthly Maintenance Fee	Office & Professional		-10.00
1/7/2011	LGIP		Taxes Received	R	521.54
			Interest Inc	R	0.10
1/31/2011	LGIP	Debit Adjustment			-0.35
1/31/2011	LGIP	interest earning	Interest Inc		24.41
1/31/2011	LGIP	Monthly Maintenance Fee	Office & Professional		-10.00
2/4/2011	LGIP	Tax Receipts	Taxes Received		403.62
2/28/2011	LGIP	Monthly Maintenance Fee	Office & Professional		-10.00
2/28/2011	LGIP	interest earning	Interest Inc		22.23
2/28/2011	LGIP	Debit Adjustment			-0.35
2/28/2011	Balance Adjustment	Correction to match Quicken with LGIP	Misc.		-0.41
3/4/2011	LGIP	Tax Receipts	Taxes Received		1,476.31
7/1/2010 - 3/8/2011					48,781.18
<b>BALANCE 3/8/2011</b>					<b>59,496.58</b>
<b>TOTAL INFLOWS</b>					<b>55,365.09</b>
<b>TOTAL OUTFLOWS</b>					<b>-6,583.91</b>
<b>NET TOTAL</b>					<b>48,781.18</b>

Mary's River Estates Road District  
Budget Cycle for Fiscal Year 2011-2012

Wed. April 13, 2011

**Budget Committee Meeting** Purpose: to formally receive the **proposed** budget as prepared by the Budget Officer as directed by the Board. The committee is presented a budget message from the Road District President and will evaluate projects and expenses to establish the tax rate. They will hear public comment and questions. We will approve the budget.

Tues. May 3, 2011

**Budget Committee Meeting**

Purpose: This date is reserved as an optional meeting, if needed, for additional deliberation by the committee in order to approve the budget.

Wed. May11, 2011

**Budget Hearing**

Purpose: to take public comment on the tax rate recommended by the Committee during their previous meetings.

Wed. June 8, 2011

**Adopt Budget**

Purpose: to formally adopt the budget as previously agreed and enact resolutions to impose tax levy.

All Meetings are open to the public. All materials submitted are a part of public record.

## Biennial budgeting advantages

Three major advantages of biennial budgeting are most frequently cited by its proponents. First, it improves long-term planning. Efficient budgeting yields data about long-range trends and performance. To take advantage of this information, however, policy-makers need to look beyond the near term and assess the impact of their decisions over the long haul. Building multi-year projections into the budget process or adopting a budget that spans more than one year can improve long-term planning.

Second, it allows more time for program review and evaluation. Proponents claim that a biennial cycle encourages decision-makers to focus on performance-based budgeting. Connecticut, Ohio and Oregon officials contend that a biennial cycle allows for an in-depth review of expenditures.

Third, the process is less expensive and time-consuming than annual budgeting. Annual budgets cost more because of the year-round effort spent on the budgeting process.<sup>[5]</sup>

(Above from: California Performance Review)

[http://cpr.ca.gov/CPR\\_Report/Issues\\_and\\_Recommendations/Chapter\\_7\\_Statewide\\_Operations/Performance-Based\\_Management\\_and\\_Budgeting/SO40.html](http://cpr.ca.gov/CPR_Report/Issues_and_Recommendations/Chapter_7_Statewide_Operations/Performance-Based_Management_and_Budgeting/SO40.html)

<http://www.ncsl.org/default.aspx?tabid=12658#point2>

National Council of State Legislatures: [Issues & Research](#) » [Budget & Tax](#) » **Annual and Biennial Budgeting**

### Advantages and disadvantages of a biennial budget cycle.

There is little evidence of clear advantages of either annual or biennial state budgeting practices. These are the findings of two major studies. In 1972, the Council of State Governments examined the issue, a favorable time for doing so since states' experience in shifting from biennial to annual budgeting was recent enough to allow comparisons of biennial and annual budgeting within some states. No clear findings emerged, and the study concluded that:

In reality, a State can develop a good system of executive and legislative fiscal and program planning and controls under either an annual or biennial budget. The system would work differently with the alternative timespans, but could be effective under either approach ([note 4](#)). Analysts at Texas A & M University reviewed the CSG study in the course of their own examination of annual and biennial budgeting in 1984, and came to the same conclusions:

The arguments used to justify and refute both annual and biennial budgets remain essentially unchanged [since 1972]—and unproven. The success of a budget cycle seems to depend on the commitment of state officials to good implementation rather than on the method itself ([note 5](#)). Major advantages of biennial budgeting are said to be that it is conducive to long-term planning; that it allows more time for program review and evaluation; and that the process itself is less expensive and time-consuming than that of annual budgeting.

*Long-term planning.* Many states, like the federal government, carry out long-term planning efforts that are independent of their budget cycle, but there is no evidence that biennial budgeting particularly favors those efforts. Evidence from states that have changed from annual to biennial budgeting over the past 30 years fails to provide strong support for the contention that biennial budgeting is conducive to long-term planning. The Council of State Governments' 1972 study of eight states produced such conflicting evidence that it could neither confirm nor reject the idea. An in-depth study of five states carried out by faculty of Texas A&M University in 1984 was also inconclusive on the point, as is the study done by the General Accounting Office in 1987 ([note 6](#)). Analysts in Connecticut, however, emphasize that the governor and legislature have greatly increased their long-term budget forecasting and analysis since the state adopted a biennial budget in 1991.

*Program Review and Evaluation.* A strong argument for biennial budgeting is that it allows more time for performance evaluation, and thus can encourage administrators and legislators to move in the direction of outcome-focused budgeting rather than continue to focus on budget controls. This was one of the principal arguments that led Connecticut to return to biennial budgeting. Proponents contended that, "The present system (of annual budgeting) does not allow enough time to review expenditures in depth. Those preparing the budget finish one year and then immediately plunge into the next year's budget ([note 7](#))." The biennial cycle was intended to focus on making major programmatic and budget decisions in one year, and to devote the second year to in-depth evaluation of agency programs. A Connecticut legislative committee reviewed the biennial process along with other legislative budget processes in 2003. It reported that the process had not met

expectations. “Beginning with the first biennium,” it observed, “the governor and legislature have proposed new and expanded programs along with significant policy changes in each year of the cycle. As a result, second-year adjustments and revisions are often extensive. There is also no evidence legislators or state agencies give greater attention to program outcomes and performance measures in the second year of the cycle.” It recommended, nonetheless, that biennial budgeting be retained because of bringing a perspective of more than one year to the process and because the potential for greater performance evaluation remains ([note 8](#)). Analysts in two other biennial budget states--Ohio and Oregon--emphasize that their budget cycles facilitate policy consideration and reflection. Oregon’s biennial legislative schedule provides time for interim study committees to undertake major projects in the absence of a legislative session. Comparisons between states are very difficult, however, and many legislatures with annual budgets carry out sophisticated program and performance review through specialized staff agencies with legislative oversight. Although it seems intuitively certain that biennial budgeting encourages legislative performance review and evaluation, there is probably no way to prove that the opportunity is more beneficial than the existence of a strong performance evaluation effort in an annual-budget state. *Budgeting costs.* Biennial budgeting may reduce executive branch costs of preparing budgets, since the process is consolidated in comparison with annual budgeting. State experience appears to bear this out, according to the studies cited in the notes on the previous page. Annual budgets certainly create greater pressures on all budget staff and policy makers than biennial budgets, since in many states preliminary

work on the next fiscal year’s budget is simultaneous with beginning the implementation of the current budget and wrapping up the previous fiscal year’s budget.

Economic and fiscal circumstances probably have more to do with a state's rigorous review of its fiscal priorities than its budget cycle does. For example, in the early 1990s many states discovered serious shortfalls in the middle of a fiscal year. They reviewed earlier budget commitments, considered cuts and revenue increases, revised spending priorities, and in effect wrote new budgets. This was primarily an executive activity in some states, and in others there was the usual budget process of executive recommendations and legislative enactments. In years when political leadership and economic circumstances are unchanged, budget processes can be fairly routine, regardless of whether an annual or a biennial budget is being written. Conversely, appropriations for the second year of a biennium are not secure if economic conditions have altered for the worse.

**3. The consequences of a biennial budget cycle for predictability and planning certainty for executive branch agencies and legislative committees.** It is obviously more difficult to project revenues and expenditures accurately for a biennium (requiring forecasts of events 30 months away) than for an annual budget (requiring forecasts for 18 months). Accurate forecasting is important for state governments, partly because of the focus on balancing resources and spending and partly because inaccurate forecasts attract political attacks ([note 9](#)). As one would expect, the consensus is that forecasting is more accurate in states with annual budgets. Accuracy in forecasting, in turn, reduces the need for special sessions of the legislature, supplemental appropriations, and reserves. Biennial budgeting represents a commitment of policy direction and funding amounts for a longer period than annual budgeting; it also means that agency personnel have to spend less time in budget planning and presentations than under a system of annual budgeting. Does this mean more predictability and certainty of planning for them and for legislative committees, in matters other than total revenue and expenditure forecasts? The answer to that question is generally yes, but the increase in the certainty of policy and funding commitment may in fact be small. State governments tend to budget incrementally, which means in effect that budgeting for the coming period, whether annual or biennial, begins with the current level of expenditures and tends to divide up any additional resources largely in proportion to the size of program budgets in the past. In the absence of dramatic economic change, state budgets rarely impose dramatic changes in agency budgets. Predictability tends to continue under both kinds of budgeting cycle because state budgeting is incremental in nature. Between 60 percent and 70 percent of most states' general fund appropriations are for elementary, secondary and higher education, health care programs, other entitlement programs, and corrections. Such programs are not susceptible to sweeping changes in funding levels or program redesign. Predictability and stability characterize them regardless of the budget cycle. Economic cycles can make state budgets uncertain and unstable. Seventy percent of state tax revenue comes from sales and income taxes, which are very sensitive to the health of the economy. The boom of the 1980s affected annual and biennial states alike: they prospered and expanded their budgets. The recession of 1990 and the slow recovery have had unsettling effects on states regardless of the length of their budget cycles. State experience suggests that nothing they can do about the length of their budget cycles can isolate them from external factors such as the condition of the economy and federal mandates.