

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
April 22, 2015**

2014 Chair Jerry Jackson Sr. called the meeting to order at 7:33 p.m.

1. ROLL CALL

Present:

City Council Members: Mayor Rocky Sloan, City Councilors Angie Baca, Doug Edmonds, Jason Leonard, Sean Manning and Eric Niemann.

Citizen Members: Jack Duren, Ashley Hall, Jerry Jackson Sr., Candy Koetz, David Low and Scott Weaver.

Staff: Chris Workman, City Manager; Joan Swanson, Finance Director; Ken Elwer, Chief of Police; Kevin Fear, Public Works Director; Ken Rueben, Police Sergeant; and Ruth Post, City Recorder.

Absent: Citizen Members: Robert Boss.

2. ELECTION OF CHAIR

MOTION: Rocky Sloan moved, Jason Leonard second, to nominate Jerry Jackson Sr. as 2015 City Budget Committee Chair. Motion APPROVED 12-0.

3. APPROVAL OF MINUTES

MOTION: Sean Manning moved, Eric Niemann second, to approve the minutes of May 21, 2014, as presented. Motion APPROVED 12-0.

4. VISITORS/PUBLIC COMMENTS

None.

5. BUDGET MESSAGE

Mr. Workman provided the budget message as included in the proposed budget document.

Mr. Jackson thanked staff for all the work that goes into the preparation of the budget and the easy readability of the materials.

6. REVIEW GENERAL FUND BUDGET

General Fund Revenues – Ms. Swanson reviewed the estimated revenues for the General Fund. She noted the decrease in cash carryover for the past five years. She explained that the cash carryover is used to fund General Fund operations until the bulk of the revenue is received in November via property taxes. She described the minimal growth in the property tax revenues over the same five year period. She stated the need for construction growth to increase property tax base and advocated for slow but steady growth. She explained that the current growth is being achieved through infill of existing lots throughout the City due to limited new subdivisions. She explained that the most sustainable growth plan would be annexation of residential property but there is a long

timeline between applying for annexation and going through the election process before construction of new homes actually begins.

She reviewed the revenue line items including building permits, franchise fees, and municipal court revenue. She explained the impact of turnover in the Police Department on the ability to write citations and being able to dedicate an officer to traffic patrol again will impact that revenue line.

Mr. Jackson questioned what the current SDC fees amount to. Mr. Workman stated that a residential SDC is currently approximately \$21,500. He explained that commercial or industrial SDC's are based on the types of use. Mr. Workman confirmed that SDC's are restricted funds and cannot be used in the General Fund.

Ms. Swanson reviewed the transfers. She stated that there will be no transfers at the end of FY 2014-15 to enable the cash carryover to stay over \$100,000. Mr. Weaver stated that his observation is that expenses are exceeding revenue increases. He questioned how the Budget Committee can assist staff in dealing with that. Ms. Swanson explained the effect of personnel costs, including health insurance costs and explained that salary expenses vary due to turnover. She stated that the department heads are very careful with how money is spent and that Philomath has not added any new services and stays true to its core services. Mr. Weaver questioned if there are any grants out there that would help. Ms. Swanson stated grants would be great but they are difficult to get. Mr. Workman noted that a grant to put in a new park is great but then you have additional maintenance costs. He agreed with Ms. Swanson that a growing tax base would be the most helpful and would have a long term effect. Councilor Manning questioned if there is sufficient property to sustain 20 to 30 new homes per year. Mayor Sloan stated there are lots at Starlight Village. Mr. Workman explained there is acreage in the urban growth boundary that, if annexed, would create buildable lots.

Mr. Jackson questioned if suspending SDC charges for a period would spur growth. Mr. Workman stated it might but that plan costs the City in the long run due to the lack of SDC funds to pay for infrastructure to accommodate the growth. Councilor Niemann questioned what the feedback was from the residential campaign breakfast. Mr. Workman stated it was generally well received and he is currently working with a developer who was at that event.

Administration/Planning – Mr. Workman reviewed the Administration Department budget. He stated the primary objective is to focus on the City Council goals for the next two years. He reviewed the development of the SDC fees based on the master plans. He stated completion of master plan updates would enable SDC's to be recalculated based on new project costs. He described work by the Park Advisory Board to update the Park Master Plan.

Building Permits – Ms. Swanson reviewed the building permit process and the services provided by Benton County. She stated the increased expense is based on the estimate of 10 new single family houses.

Finance – Ms. Swanson reviewed the work functions of the Finance Department and noted that it also includes Human Resources. She stated that appraisal of City properties was just completed. She also said that the park reservations are busy at this time of year and the new Randy Kugler Community Hall is popular. Councilor Edmonds questioned the sick leave conversion line item. Ms. Swanson explained that department heads are allowed to convert 50% of sick leave to cash out.

Municipal Court – Ms. Swanson explained the process Judge Blake uses to offer a diversion to defendants. She stated there are different types of cases that impact expenses, particularly mandatory jail days for DUII's. Chief Elwer stated that Philomath is well served by having a local municipal court. He described the communication between the Judge, City Attorney and the officers. Mr. Workman stated that Judge Blake does come before the City Council every year to provide a report on court operations. He stated that the purpose of the court is to serve justice and it is a great asset to the community. Chief Elwer reviewed the efforts to keep the community cleaned up and the way the court assists with that. There was a brief discussion about interpreter services.

Police – Chief Elwer introduced Sgt. Ken Reuben. Chief Elwer stated that the department tries to do projects that don't cost a lot of money such as National Night Out and hunter safety courses. He explained the need for coroner services. He reviewed the 9-1-1 Center expense and the continuing increase of that line item. He explained the body camera fees and the desire to stay ahead of the legislature on camera mandates. Sgt. Rueben provided a brief background of his resume. He provided a summary of the conversion from car cameras to body cameras and showed a video clip of the body cameras in use. There was a discussion of personal privacy rights related to the videos. Councilor Baca questioned the fee charged for videos. Sgt. Rueben stated that there is a fee but it will continue to be evaluated to ensure an accurate fee is charged to recoup costs to produce them. Chief Elwer thanked the Committee for the past 13 years as he prepares for retirement. Councilor Edmonds questioned the fluctuations in the Equipment Repair/Maintenance line item. Chief Elwer stated that newer equipment helps reduce that expense. Ms. Swanson stated that it fluctuates because she reviews the actual current year expense and makes adjustments to the proposed budget accordingly.

Buildings & Grounds – Mr. Fear reviewed expenses such as parking lot paving and carpet maintenance. Councilor Baca questioned if landscape maintenance is performed by City staff. Mr. Fear stated that the City contracts with Eager Beaver Nursery for maintenance of the City Hall, Police Department and Library grounds maintenance.

Parks – Mr. Fear reviewed tree and restroom maintenance in the parks. He described the effect of floods on the park facilities. He explained that more seasonal help will be used rather than hiring an additional full time person.

Non-Departmental – Ms. Swanson explained the types of things that fall under non-departmental. She reviewed the services provided by the City Attorney's office. She noted that the bus service is subsidized by a grant through the City of Corvallis and otherwise it would not be affordable. Councilor Manning questioned if the grant is expected to continue indefinitely. Ms. Swanson stated she expects it to continue indefinitely at this point. Mr. Weaver questioned the fees collected for bus service. Ms. Swanson explained the bus fees are collected in the General Fund.

Ms. Swanson described cuts that have been made such as transfers and cuts in the non-departmental budget. She stated that community organization support was cut which previously provided money to the Philomath Downtown Association (PDA) and full funding of fireworks for the Frolic & Rodeo. She reminded the Committee that they are responsible for reviewing the budget and making any recommended changes. Ms. Swanson stated that Mayor Sloan felt it was important to continue to fund half of the fireworks display. Ms. Swanson reviewed the Council policy regarding contributions to social service agencies.

Mr. Duren stated that it seems to be an inequity to continue to provide funds to the Frolic & Rodeo and completely cut the PDA off. He stated he hoped someone would consider this. Mayor Sloan wondered if the PDA could do something more like the Chamber in charging a membership fee. Mr. Duren stated that it is a non-membership organization. He emphasized the importance of the non-profit status and stated it is a loss to the community if the PDA goes away. Mr. Duren stated that the PDA has received \$10,000 for the past eight years and expected to receive it again this year. Mr. Workman clarified that Mr. Duren is the President of the PDA and summarized his conversation with Mr. Duren and Mr. Dale Collins earlier this week. He stated that the PDA has done good things for the community, including the visioning work for the downtown streetscape project. He described options for continuing the work that the PDA has performed and ways that their projects might be able to be absorbed by other organizations, such as the City, Chamber and other organizations. He stated it is rather unusual in a community this size to have both an active Chamber and an active Downtown Association. Mr. Workman stated the Frolic fireworks display was a discussion item at last year's Budget Committee meeting and the original plan was to remove that funding. Mayor Sloan stated he challenged anyone to argue that the Frolic is not a celebration of the community and that the City should contribute something. Mr. Weaver noted that one of the Council goals is to build consensus on economic development and it can be a difficult discussion. Councilor Edmonds questioned the reduction in community appearance fees. Ms. Swanson explained the new franchise agreement with Republic Services in which they no longer charge the City for the dumpsters and disposal of the junk.

7. **ADJOURNMENT:**

There being no further business to come before the Budget Committee, Chair Jackson adjourned the meeting at 9:22 p.m.

SIGNED: Jerry Jackson Sr., Chair

ATTEST: Ruth Post, MMC, City Recorder