

**CITY OF PHILOMATH  
BUDGET COMMITTEE  
MINUTES  
May 5, 2016**

Chair Jerry Jackson Sr. called the meeting to order at 7:00 p.m.

**1. ROLL CALL**

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

Citizen Members: Robert Boss, Ashley Folgate, Jerry Jackson Sr., Candy Koetz, David Low, Brian Noakes and Scott Weaver.

Staff: Chris Workman, City Manager; Kevin Fear, Public Works Director; Garry Black, Public Works Operations Supervisor; and Ruth Post, City Recorder.

Absent: Council Members: Jason Leonard and Charla Koepe

**2. APPROVAL OF MINUTES**

**MOTION:** Councilor Baca moved, Mayor Sloan second, to approve the minutes of April 21, 2016, as presented. Motion APPROVED 12-0.

**3. VISITORS/PUBLIC COMMENTS**

None.

**4. PUBLIC HEARING**

Possible uses of State Revenue Sharing: Chair Jackson opened the public hearing at 7:01 p.m. Mr. Workman explained the City policy to contribute 35% of state revenue sharing funds to social service agencies providing assistance to residents and 65% to the General Fund. He reported the Finance/Administration Committee met last week to hear presentations from agencies. Seeing no public testimony, Chair Jackson closed the public hearing at 7:03 p.m.

**5. REVIEW PUBLIC WORKS BUDGET**

Mr. Workman summarized the overriding theme of the Public Works funds is that they have personnel costs driven by factors such as union contracts, PERS and insurance.

Street Fund – Mr. Fear described anticipated projects including chip sealing and street medians. He described the hardscaping plans for the medians. There was discussion about improved safety created by removal of the plants and trees in the medians. Mr. Fear described the poor health of the trees that were in the median and the expense of weeding the plantings. Mr. Workman stated that it has been a continual battle to try to keep the medians looking nice. He described the group that met to develop a new plan for them. Mr. Fear stated this line item may extend over two years. Mr. Weaver questioned the 10% increase in personnel services per year. Mr. Fear stated those included PERS increases. Mr. Weaver questioned how sustainable that is. Mr. Workman stated it isn't sustainable and growth is needed to offset it. Mr. Jackson questioned if money has been set aside for the HP tax issue. Mr. Workman stated the City has set monies aside for that. Mr. Weaver questioned if the City should create a fund to save for

PERS costs like Corvallis has. Mr. Workman stated it isn't felt that it is necessary this year and that PERS costs are a moving target. He stated there are suggestions that it is starting to level out and staff would look at it again next year.

Water Fund – Mr. Workman stated the Water Master Plan update will be completed in 2016-17. He stated that \$20,000 of the \$40,000 expense is being paid for by a grant. He described how the master plan creates the list of projects for the next 10-plus years. He also reviewed the renegotiation of the purchase agreement with the City of Corvallis for water from their Rock Creek water plant. He stated it would be another 10-year agreement. Mr. Fear complimented his staff and described efforts by Water Treatment Plant Operator Dennis Lewis to spend money wisely.

Sewer Fund – Mr. Workman described the substantial increase in sewer fees as approved by the Council to be able to make progress toward replacement of the 60-year-old concrete sewer pipes that are continually failing. He stated there has been an increase in development resulting in more system development funds that can be used toward payment of the sewer bonds.

Mr. Jackson stated the City Council has made plans for years to replace the old sewer lines and it takes a lot of years to accomplish projects of this magnitude. Mr. Fear stated that small projects have been accomplished over recent years, particularly when a street project is planned, to avoid tearing up a brand new street due to a pipe failure.

Mr. Fear described the increased sewage that has to be treated during the winter due to rainwater infiltration into the sewer lines. He noted the impact on expenses such as electricity for running the treatment system that much harder. He explained that this type of infiltration is negated by replacing the line and saves the City money.

Mr. Fear described the benefits of purchasing a sewer camera to TV sewer lines. Mr. Black stated that without a camera, staff is working blindly on the lines and doesn't know where the impending problems are. Mr. Black described the demonstrations of cameras that they have been reviewing. Councilor Niemann questioned if there will be training required on the camera. Mr. Black stated the entire department will be trained on use of the camera to ensure that its use is maximized.

Mr. Workman stated the Wastewater Master Plan will also be updated and will also have a \$20,000 grant to go towards that expense. Mr. Fear described the use of population figures to develop the master plans and the approvals required from DEQ for wastewater and DHS for water.

Storm Drain Fund – Mr. Workman reviewed the importance of the storm water system to move rainwater out of the City as efficiently as possible. He noted the work that Public Works has performed to clean up Newton Creek so water does not back up into yards. He described the increase of the storm drain fee that the City Council has approved and the transfer to make payment on the South 13th Street storm drain line debt. Mr. Fear explained the challenges of renewing the City's storm water discharge permit due to changing personnel at the regulatory agencies. Councilor Niemann questioned if there are any projects that should be considered to reduce flooding in Marys River Park. Mr. Black described work that has been done to improve the discharge of water in Marys River Park during major rainstorms. Mr. Workman stated that any efforts to remove backed up water from one area moves it downstream onto someone else's property. Mr. Fear described efforts that have been done to improve street and collection basin cleaning.

Development Review Fund -- Mr. Workman reviewed this new fund intended to cover engineering expenses associated new developments. The new Development Review Fee will be paid by developers who are installing new infrastructure tying into the City's existing system. Mr. Fear reviewed the fee structure for projects. Mr. Black commented on the communications associated with working with developers. Mr. Fear described tracking the expenses involved. Ms. Post added that developers pay these fees in most cities that they work in.

**6. ADJOURNMENT:**

There being no further business to come before the Budget Committee, Chair Jackson adjourned the meeting at 8:10 p.m.

SIGNED: Jerry Jackson Sr., Chair

ATTEST: Ruth Post, MMC, City Recorder