

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
May 7, 2014**

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

1. ROLL CALL

Present: Nolan Bartlow, Matthew Bierek, Robert Boss, Ashley Hall, Jerry Jackson Sr., Charla Koeppe, Candy Koetz, Jason Leonard, David Low (7:03 p.m.), and Rocky Sloan.

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

Absent: Angie Baca, Sean Manning, Scott Weaver.

2. APPROVAL OF MINUTES

MOTION: Matt Bierek moved, Charla Koeppe second, to approve the minutes of April 23, 2014, as presented. Motion APPROVED 10-0.

(David Low arrived at 7:03 p.m.)

3. VISITORS/PUBLIC COMMENTS

None.

4. PUBLIC HEARING

Possible uses of State Revenue Sharing: Chair Jackson opened the public hearing at 7:03 p.m. Seeing no public testimony, Chair Jackson closed the public hearing at 7:04 p.m.

5. REVIEW PUBLIC WORKS BUDGET

Street Fund – Ms. Swanson reviewed revenues for the Street Fund. Mr. Fear reviewed projects anticipated for the Street Fund, including chip sealing South 11th Street into Marys River Park and South 16th Street. He stated that the ongoing project to upgrade streetlights to LED would continue with replacement of up to 30 lights this year as the old bulbs burn out. He stated that the LED lights are a definite improvement. There was discussion about the cooperation between Pacific Power and the city to make the replacement process more efficient. Mr. Fear explained that the usual process was to replace a burned bulb with a new bulb of the same type, order a new LED fixture assembly and then install the LED when it arrived. The City has worked out an agreement with Pacific Power to keep a small stock of the LED fixture assemblies at the Public Works Compound for the Pacific Power lineman to use in making an immediate replacement. Rocky Sloan pointed out that this is an arrangement that Pacific Power has made with the city of Philomath only and is not their standard process but all of the parties involved worked together to make it more efficient. Bob Boss questioned how many streetlights there are in Philomath. Mr. Fear stated there are approximately 262 streetlights. David Low asked how much longer LED's last than sodium. Mr. Fear explained low sodium lights have about a 3 year life, compared to 15 years for LED. He stated that LED's require substantially less energy to operate, thereby saving the city

money. Mr. Fear concluded projects in the Street Fund by reviewing the \$5,000 for street median plantings maintenance.

Water Fund – Ms. Swanson stated the good news is there have been no rate increases for water users for three years. Mr. Fear stated there is \$20,000 allocated for continuing to secure and maintain existing city water rights. There was discussion about the challenges of getting approval to move water rights upstream, such as to the water treatment plant. Ms. Swanson summarized the agreement with the city of Corvallis to purchase Rock Creek water via the intertie. Mr. Fear explained the types of circumstances when the city switches to Rock Creek water. Jason Leonard questioned how many years that agreement is for. Mr. Fear explained it is a 15-year agreement and it is a good idea to keep it as long as Corvallis is agreeable. He described the emergency backup source that the intertie provides. Matt Bierek added that the intertie provides the city with an alternative supply during summers when the Marys River flow is low. Mr. Fear reviewed the \$30,000 allocated to replace fire hydrants and add two to three new ones per year in areas identified by the Fire Marshall. and \$45,000 to complete two to three projects to connect dead end water lines to other existing lines and create a loop.

Ms. Swanson reviewed the \$50,000 principal payment to OECDD for the contact chamber loan. With this payment, she stated the loan should be able to be paid off in one more year. Mr. Jackson stated that this long-standing practice by the city of paying loans off early has helped the city gain an excellent credit rating. Bob Boss asked if Public Works is likely to save the water line extension funds up for a bigger project. Mr. Fear stated that they try to do a couple of small projects per year and provided an example of a vacated many years ago that has a water line running under a private yard and is an aging line. They plan to replace line to avoid the consequences if that one were to break.

Ms. Swanson stated that overtime in the Public Works Department has substantially reduced over the years because this type of preventative maintenance has reduced the number of times workers are called out after hours to perform emergency repairs. Jerry Jackson complimented Mr. Fear on the excellent presence Public Works employees have around town and stated that they represent the city well. Mr. Fear stated they have an experienced crew with one worker with a year of experience and the remainder having 10+ years' experience.

Sewer Fund – Ms. Swanson reviewed the March 2014 Water and Sewer Rate Comparison that members of the City Council reviewed before setting rates earlier this year. There was discussion about the range of rates for the different cities. Ms. Swanson explained that the lack of SDC revenue has impacted the rates in order to repay the municipal bonds sold in 2009 for the sewer improvements. There was discussion about the land application now being performed on the leased farm property adjacent to the sewer lagoons. Mr. Fear stated this process keeps 38 million gallons of treated wastewater out of the river and represents 38 million gallons of water the farmer isn't pulling out of the river to water his crops. He added that it also cuts down on the amount of fertilizer the farmer has to use. Jerry Jackson asked if the city receives any additional revenue from the farmer for the access to the treated water. Ms. Swanson stated that the city supplies the water and wants the farmer to use it. There was discussion about the waterfowl and birds that are seen at the lagoons and the bird watchers who come to see them.

Storm Drain Fund – Ms. Swanson stated the storm drain user fee remains the same as it has for many years. She stated that due to the lack of SDC revenues to pay towards the debt of the South 13th Street storm drain line, \$18,000 from the Storm Drain Fund will be transferred to ensure payment towards that debt. Mr. Fear stated that more aggressive maintenance on storm drain catch basins and street sweeping has substantially reduced flooding issues in storm drains.

Land, Buildings & Equipment Fund – Ms. Swanson explained the transfers anticipated. Mr. Workman updated the Committee on the park shelter construction project. He stated the contractor is ordering the last of the supplies and the outdoor area roof should be constructed within a couple of weeks. He stated the Lions Club will then paint. He met with cabinetmaker today. He doesn't believe the final expenses will total the full \$50,000 that is allocated and is hopeful of completion and a dedication ceremony in June. Ms. Swanson reminded the Committee that the replacement of the police vehicle with new Tahoe was discussed during Chief Elwer's presentation on April 23. Mr. Fear explained the City Hall to Library parking lot rehabilitation project. He stated the paving company said this would give another 10-15 years of life on the parking lot. Mr. Fear reviewed the \$130,000 for water meter upgrades and noted this is a Council goal to move to radio read citywide. He reviewed the staff hours currently required to complete monthly meter reading and stated that completion of the project will result in one person being able to read the entire city in about two hours. Mr. Fear reviewed the project to riprap sewer lagoon cells #1 and #2. He stated this was a holdover from last year because completion of the new lagoon cells didn't leave enough of a good construction window to perform the riprap project before bad weather set in for the winter.

Ashley Hall questioned if there are any bike/footpath construction projects anticipated with the funds in that line item. Staff explained that this line item typically accumulates until there are sufficient funds for a project and it will often be wrapped into another project.

Systems Development Fund – Ms. Swanson stated the revenues are based on five homes being constructed again this year. She stated that the only potential project is the construction of the North 11th Street Park that the city has submitted for a State Parks Department grant. Mr. Workman explained the proposed plans for the city well site. He stated this is the second year that the city has applied for this grant and the application was improved upon. The grant decision should be received early this fall.

Mr. Workman stated the overall city budget plan is to stay patient and be thankful that we can continue to deliver the services that the public expects to be provided.

6. ADJOURNMENT:

There being no further business to come before the Budget Committee, Chair Jackson adjourned the meeting at 7:51 p.m.

SIGNED: Jerry Jackson Sr., Chair

ATTEST: Ruth Post, MMC, City ecorder