

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
April 14, 2021**

The Budget Committee of the City of Philomath was called to order by Mayor Chas Jones on Wednesday, April 14, 2021, at 6:23 p.m. Due to the Oregon Governor’s Executive Order 20-12 requiring social distancing due to the COVID-19 pandemic, the meeting was held via video conferencing technology with the public also allowed to attend in limited capacity in the Philomath City Hall Council Chambers, 980 Applegate Street, Philomath, Oregon.

1. ROLL CALL

Present:

City Council Members: Mayor Chas Jones, City Councilors Jessica Andrade (), Catherine Biscoe, Ruth Causey, Matt Lehman, David Low and Teresa Nielson.

Citizen Members: Margie Brown, Noelle Cummings, Bryan Crocker, Julie Conner, Christine Kastella, Candy Koetz, and Spencer Irwin.

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

Absent: None.

2. ELECTION OF CHAIR

MOTION: Councilor Low moved, Councilor Causey second, to appoint Noelle Cummings as 2021 Philomath Budget Committee Chair. Motion APPROVED 14-0 (Yes: Andrade, Biscoe, Brown, Causey, Conner, Crocker, Cummings, Kastella, Koetz, Irwin, Jones, Lehman, Low and Nielson. No: None).

Noelle Cummings took over as Chair.

3. MINUTES

MOTION: Councilor Causey moved, Councilor Low second to approve the minutes of May 15, 2020 as presented. Motion seconded and APPROVED 14-0 (Yes: Andrade, Biscoe, Brown, Causey, Conner, Crocker, Cummings, Kastella, Koetz, Irwin, Jones, Lehman, Low and Nielson. No: None.).

4. VISITORS/PUBLIC COMMENTS

None.

5. BUDGET MESSAGE

Mr. Workman directed the Committee’s attention to the budget message included in the proposed FY 2021-2022 budget document, highlighting the major projects scheduled for the year, including the water treatment plant construction and the Downtown Streetscape Project. He thanked the prior Councils and Budget Committees for making the decisions that have put the City in the position it is currently in to move these projects forward for the community’s benefit.

1
2 Ms. Swanson provided answers to questions received earlier in the day from Councilor
3 Andrade, including clarifying the changes the City Council can make after the Budget
4 Committee approves the budget. She also answered a question regarding the line items
5 that provide additional detail about the expenses involved in the budget but the
6 Committee's action being to approve the departmental or fund budget totals. Ms.
7 Swanson reviewed the method of budgeting for grants that the City thinks it might
8 receive in advance of actually receiving the grant and the impact of not receiving grant
9 funds if they were budgeted for.

10 **6. REVIEW GENERAL FUND BUDGET**

11
12 General Fund Revenues – Ms. Swanson reviewed each of the general fund revenue
13 sources. She reviewed the transfers to the Land, Building and Equipment Fund for
14 buildings, parks and equipment.

15
16 Administration/Planning Department

17 Mr. Workman reviewed the staffing included in the budget, including the addition of a
18 new Assistant to the City Manager position to focus on areas including human
19 resources, risk management and other projects as assigned. He also noted expansion of
20 the contracted Planner's hours. There was discussion about the multi-faceted duties that
21 the current Finance Director fulfills, the value of succession planning, and the goals for
22 the new position. Councilor Biscoe suggested considering a compensation survey to
23 evaluate new staffing with an estimated budget of \$30,000 to plan for the future
24 appropriately. There was discussion about the different personnel services line item
25 expenses related to the positions in the department budget.

26
27 There was discussion about sourcing \$30,000 to fund an external compensation survey
28 versus the internal survey completed by the Finance Director in the past year.

29
30 **MOTION:** Councilor Biscoe moved, Councilor Andrade second that the Budget
31 Committee consider adding \$30,000 for completion of a compensation study in the
32 budget, removing funds from a yet to be determined line item to complete an external
33 compensation study, as required by Oregon Revised Statutes.

34
35 *Chair Cummings recessed the meeting at 7:12 p.m. and reconvened at 7:18 p.m.*

36
37 Councilor Causey reviewed the proposal for an external compensation study that she
38 had proposed two years ago and her subsequent decision that Ms. Swanson had the
39 ability to complete such a survey internally and the expense was not necessary. She
40 stated she did support a focused compensation study only for specific positions as part
41 of succession planning.

42
43 Ms. Swanson described the different types of staffing that can be present in smaller
44 cities and the differences in job duties despite similar job titles. She noted the
45 importance of internal controls and challenges of implementing those in small staffs.

46
47 Mr. Workman reviewed the differences between an external or internal compensation
48 survey. Councilor Low did not support the motion with the inclusion of references to state
49 statutes that he wasn't familiar with and questioned the value of a study at this time. Ms.
50 Kastella agreed with Councilor Low regarding the statutory references and questioned if

1 there are any governmental resources for surveys. There was discussion about the
2 services of the Local Government Personnel Institute and the types of position
3 differentiation and matching that Ms. Swanson drills down to when completing an
4 internal survey.

5
6 Councilor Andrade suggested the possibility of budgeting the funds and not expending
7 them and questioned if there was a conflict of interest in performing an internal study.

8
9 Mr. Workman noted that the Strategic Plan does not include any references to a
10 compensation study. Councilor Biscoe provided clarification of the League of Oregon
11 cities sources for the references to ORS and the value of having an expert opinion from
12 professionals who perform those services, similar to hiring a consultant to develop a new
13 master plan.

14
15 Mr. Irwin noted the difficulty of making a decision without having the specific information
16 related to the internal survey Ms. Swanson has provided in the past. He added if there is
17 an ORS that requires it, then that would have an impact on his decision. He described
18 the difference between hiring a skilled consultant to complete a park master plan and the
19 completion of a survey as not being comparable.

20
21 Mayor Jones suggested considering an external survey prior to the next union
22 negotiations.

23
24 **VOTE:** Motion FAILED 3-11 (Yes: Andrade, Biscoe and Lehman; No: Brown, Causey,
25 Conner, Crocker, Cummings, Kastella, Koetz, Irwin, Jones, Low and Nielson).

26
27 Building Permits Department

28 Mr. Workman reviewed the reduced budget expectations in building permit activities for
29 the next year.

30
31 Finance Department

32 Ms. Swanson reviewed reductions expected in recording fees due to expecting reduced
33 building activity. There was discussion about the Finance Department staff all working
34 part-time and meeting the workloads.

35
36 Municipal Court Department

37 Ms. Swanson noted unexpected revenues this year due to the use of stimulus funds to
38 pay off old cases and release driver license suspensions. She described expectations
39 for less revenue next year because of this. She reviewed the reduced prisoner care line
40 item due to COVID-19 restrictions preventing the Judge from being able to sentence
41 individuals to jail time.

42
43 Police Department

44 Chief Rueben noted there are no new line items in the budget but some expenses have
45 been reassigned to new line items to improve expense tracking. There was brief
46 discussion about the RAIN line item, bike olympics, miscellaneous expenses and officer
47 coverage. There was discussion about future staffing considerations.

1 Buildings & Grounds

2 Mr. Fear reviewed the Automatic Electronic Defibrillators (AEDs) expense due to the
3 current ones being outdated and requiring all of them to be replaced. There was
4 discussion about Public Works staffing levels.
5

6 Parks

7 Mr. Black reviewed the project to build new restrooms at City Park to bring it into ADA
8 compliance and make it more vandal resistant. There was discussion about addition of
9 specialized fall material at the parks to meet compliance standards. There was
10 discussion about maintenance of the tennis courts as agreed upon with the School
11 District.
12

13 Non-Departmental

14 Ms. Swanson reviewed the splitting of the old City Council Departmental budget into two
15 separate categories: Non-Departmental and City Council. She explained that the Non-
16 Departmental category is made up of essential service expenses and reviewed those.
17

18 City Council

19 Ms. Swanson reviewed the line items in the City Council Departmental budget. She
20 expanded upon the transient lodging tax funds received from Benton County to use for
21 tourism related community assistance. Mr. Workman reviewed the flower basket
22 program that serves as a pass-through from donations received to pay for the basket
23 program. There was discussion about the increased budget in Education & Training for
24 the Council to use towards potential inclusivity speakers or trainers. Mr. Workman
25 reviewed the increased engagement by the current City Council and the opportunity to
26 establish this type of discretionary funding allocation.
27

28 Councilor Causey questioned if the most recent compensation survey could be provided
29 to the Committee or Council. There was additional discussion about the Council direction
30 provided in February that was used to build the budget and the timing of a survey in
31 relationship to union negotiations. Councilor Causey requested the issue be tabled until
32 further discussions can be held by the City Council.
33

34 There was a brief discussion about the City's implementation of a local transient lodging
35 tax being delayed until next year because the anticipated RV Park won't be up and
36 running until the next year.
37

38 Councilor Biscoe reviewed the references to the Oregon Revised Statutes related to
39 compensation studies that she had previously cited. Mr. Worked noted that the topic
40 could be covered at the City Council's upcoming work session on the Strategic Plan.
41

42 **8. ADJOURNMENT:**

43 Chair Cummings adjourned the meeting at 8:35 p.m.
44

45 SIGNED: Noelle Cummings, 2021 Chair

ATTEST: Ruth Post, MMC, City Recorder

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
April 28, 2021**

The Budget Committee of the City of Philomath was called to order by Mayor Chas Jones on Wednesday, April 28, 2021, at 6:00 p.m. Due to the Oregon Governor’s Executive Order 20-12 requiring social distancing due to the COVID-19 pandemic, the meeting was held via video conferencing technology with the public also allowed to attend electronically and in limited capacity in the Philomath City Hall Council Chambers, 980 Applegate Street, Philomath, Oregon. Instructions with opportunities for the public to comment were provided on the meeting agenda, City’s website, and media notice.

1. ROLL CALL

Present:

City Council Members: Mayor Chas Jones, City Councilors Jessica Andrade (6:15 p.m.), Catherine Biscoe (6:11 p.m.), Ruth Causey, Matt Lehman (6:56 p.m.), David Low (6:05 p.m.) and Teresa Nielson.

Citizen Members: Margie Brown, Bryan Crocker, Julie Conner, Candy Koetz, and Spencer Irwin.

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

Absent: Citizen Members Noelle Cummings and Christine Kastella.

2. MINUTES

MOTION: Councilor Causey moved, Councilor Nielson second, to approve the minutes of April 14, 2021 as presented. Motion APPROVED 8-0 (Yes: Brown, Causey, Conner, Crocker, Koetz, Irwin, Jones, and Nielson. No: None).

3. VISITORS/PUBLIC COMMENTS

None.

4. PUBLIC HEARING

4.1 Possible uses of State Revenue Sharing – Mayor Jones opened the public hearing at 6:05 p.m.

Councilor David Low arrived at 6:05 p.m.

Ms. Swanson summarized the sources of state revenue sharing funds and possible uses as allocated in the budget. The opportunities for public comment methods were posted and no comments were received. Ms. Swanson reviewed the expected use of the revenue in the General Fund and the Council policy designating a share of the funds for contributions to local social service agencies. Seeing no public testimony, Mayor Jones closed the public hearing at 6:07 p.m.

1 **5. REVIEW PUBLIC WORKS BUDGET**

2 Ms. Swanson reviewed the full time utility worker position that was left unfilled in 2008
3 due to the slow economy at the time that is expected to finally be staffed. She noted that
4 the filling of this position is reflected throughout the budget in the personnel services line
5 items.

6
7 *Councilor Catherine Biscoe arrived at 6:11 p.m.*

8
9 **Street Fund**

10 Ms. Swanson reviewed the revenue expectations in the Street Fund. Mr. Black reviewed
11 the ODOT Small City Allotment Grant to be used on Mount Union Avenue for chip seal.
12 There was discussion about the previous use of Benton County for chip seal services
13 and keeping the project within the grant amount. Mr. Black reviewed the bundling of chip
14 seal projects in various locations around town to maximize the contract.

15
16 *Councilor Jessica Andrade arrived at 6:15 p.m.*

17
18 Ms. Swanson reviewed the franchise fee revenues and sources. Mr. Workman reviewed
19 the renewal process and timelines for franchise agreements. There was discussion
20 about the companies that have franchise agreements for the use of the public right-of-
21 way.

22
23 There was discussion about the cost of chip sealing versus paving and the life
24 expectancy of chip sealed streets based on the amount of traffic on the surface. Ms.
25 Swanson reviewed the increase in transfers to fund future street projects.

26
27 **Water Fund**

28 Ms. Swanson reviewed revenue expectations and the use of revenues in excess of
29 budget line expenses to go towards the water treatment plant project construction,
30 reducing the amount of loan required.

31
32 Mr. Fear provided a brief update on the water treatment plant project with bidding
33 expected in May or June of this year followed by construction of the reservoir and the
34 water treatment plant bidding and construction next year.

35
36 **Sewer Fund**

37 Ms. Swanson reviewed the expected revenues and noted the use of SDC funds to pay
38 towards the sewer lagoon expansion loan payment.

39
40 Mr. Fear summarized the ongoing repair of old sewer lines to reduce stormwater inflow
41 and infiltration issues, including impacts on lagoon capacity and treatment functions. He
42 described other cities that are having to expand treatment capacity for that reason and
43 the repair of the old sewer lines remains a top priority to avoid having to go that route.

44
45 Ms. Swanson reviewed the farm lease revenue from the farmer who uses the extra
46 acreage and performs land application of the treated sewer discharge, reducing the
47 amount of discharge into the Marys River while also producing revenue for the City.

48
49 Councilor Biscoe reviewed discussions at the Public Works Committee meetings
50 regarding accelerating the replacement of the old sewer lines and recommended the
51 City Council review that before next year's budget cycle.

1
2 Storm Drain Fund

3 Ms. Swanson reviewed the increase in the storm drain fee that hadn't changed since
4 2016.

5
6 Mr. Fear reviewed increased DEQ requirements for stormwater quality, including
7 changes to development requirements that will increase the size of storm drain water
8 retention basins and increase maintenance costs.

9
10 Land, Building and Equipment Fund (LB&E)

11 Ms. Swanson reviewed the savings towards the water treatment plant and the expected
12 grant funds for addition of bus shelters at existing stops that don't currently have them.
13 She reviewed the expenditure of funds towards the water treatment plant and the
14 timeline for first draws on the loan funds.

15
16 Ms. Swanson reviewed the funds budgeted for proposed local improvement districts
17 (LID's) at Landmark Drive and North 11th Street.

18
19 Ms. Swanson provided more detail about the loan interest and interest payments on the
20 water treatment plant loan. She noted the expected 1.3% interest rate with a 30-year re-
21 payment period.

22
23 There was brief discussion about the process of the LID projects.

24
25 Mr. Black reviewed the status of the current sewer vac truck and the replacement truck
26 in the budget. There was discussion about the purpose of the vac truck, the heavy daily
27 usage of it and the life expectancy of it. There was discussion about the amount
28 budgeted, the quotes that have been received, expected price increases after July 1,
29 and the availability of the truck to purchase.

30
31 There was discussion about the City Park restroom remodel and the use of funds paid
32 by the Newton Creek Subdivision development in lieu of an additional park space. Mr.
33 Workman reviewed the timeline for the project.

34
35 *City Councilor Matt Lehman arrived at 6:56 p.m.*

36
37 There was discussion regarding providing preliminary approval for purchase of the vac
38 truck in order to secure the truck and price and directing the City Manager to issue a
39 letter of intent to secure the available truck.

40
41 **MOTION:** Councilor Causey moved, Councilor Biscoe second, to approve the purchase
42 of the vac truck if necessary prior to approval of the full budget. Motion APPROVED 12-0
43 (Yes: Andrade, Biscoe, Brown, Causey, Conner, Crocker, Koetz, Irwin, Lehman, Low,
44 Nielson and Jones; No: None).

45
46 System Development Fund(SDC): Governmental

47 Ms. Swanson reviewed the request from the City's auditors to break the SDC's out
48 between governmental funds for parks and streets and proprietary funds for water,
49 sewer and streets.

1 Ms. Swanson reviewed the decrease in building anticipated in the next budget year and
2 associated decrease in SDC revenues based on an estimated construction of 20 new
3 houses for the 2021-2022 fiscal year.
4

5 Mr. Workman reviewed the seed money budgeted for the Cochran Veterans Memorial
6 Park to go towards a grant match. He described the neighborhood survey that has been
7 conducted by the Parks Advisory Board and the general community survey that will be
8 conducted beginning May 1st. He noted State grant funds are all still on hold due to the
9 pandemic.
10

11 There was discussion about identified projects and accumulating funds to go towards
12 those projects. Ms. Swanson described the tracking maintained for each of the
13 categories to ensure that funds are used on the correct category of projects.
14

15 System Development Fund: Proprietary

16 Ms. Swanson noted the water treatment plant is the big project in the Proprietary SDC
17 Fund. There was discussion about the update for the 22-year-old Storm Drain Master
18 Plan.
19

20 Development Review Fund

21 Mr. Fear summarized the fund's purpose of receiving payments from developer's to
22 cover the City's expenses associated with overseeing those projects, such as
23 engineering review and construction inspections. He described the value of having the
24 City's engineer conduct those reviews and inspections instead of just approvals from
25 state agencies that don't concern themselves with the City's specific standards for
26 construction.
27

28 Ms. Swanson reviewed the remaining budget process and the final budget meeting in
29 two weeks. There were no additional questions or recommendations regarding the
30 Public Works budget.
31

32 There was a brief recap about the state revenue sharing public hearing conducted
33 earlier in the meeting.
34

35 **6. ADJOURNMENT:**

36 Mayor Jones adjourned the meeting at 7:17 p.m. with the next meeting scheduled for
37 May 12, 2021 at 6:00 p.m.
38
39
40

41 _____
SIGNED: Noelle Cummings, 2021 Chair

ATTEST: Ruth Post, MMC, City Recorder

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
May 12, 2021**

The Budget Committee of the City of Philomath was called to order by Chair Noelle Cummings on Wednesday, May 12, 2021, at 6:13 p.m. Due to the Oregon Governor’s Executive Order 20-12 requiring social distancing due to the COVID-19 pandemic, the meeting was held via video conferencing technology with the public also allowed to attend electronically and in limited capacity in the Philomath City Hall Council Chambers, 980 Applegate Street, Philomath, Oregon. Instructions with opportunities for the public to comment were provided on the meeting agenda, City’s website, and media notice.

1. ROLL CALL

Present:

City Council Members: City Councilors Jessica Andrade, Catherine Biscoe, Ruth Causey, Matt Lehman, David Low, Teresa Nielson and Mayor Chas Jones (6:21 p.m.).
Citizen Members: Chair Noelle Cummings, Margie Brown, Bryan Crocker, Julie Conner, Candy Koetz, and Spencer Irwin.

Staff: Chris Workman City Manager.

Absent: Citizen Member Christine Kastella.

2. MINUTES

MOTION: Councilor Causey moved, Candy Koetz second, to approve the minutes of April 28, 2021 as presented. Motion APPROVED 12-0 (Yes: Andrade, Biscoe, Brown, Causey, Conner, Crocker, Cummings, Koetz, Irwin, Lehman, Low, and Nielson. No: None).

3. VISITORS/PUBLIC COMMENTS

None.

4. REVIEW

4.1 Community Development Fund – Mr. Workman reviewed the Community Development Block Grant program funds that are managed through the fund. Original loans funded home improvements for low-income homeowners and the fund serves as a placeholder for managing repayment of those loans. There was discussion about the repaid loan funds being used for business façade improvement loans.

(Mayor Chas Jones arrived at 6:21 p.m.)

4.2 Economic Development Fund – Mr. Workman reviewed the State loan repayment managed through the Economic Development Fund for infrastructure improvements that were extended through Millpond Development Park.

Mr. Workman reviewed the overall timeline for the budget process that had been completed and would proceed through City Council adoption.

1 (Mayor Jones exited the meeting at 6:25 p.m.)
2

3 **5. MOTION TO APPROVE BUDGET AND TAX RATE**

4 Councilor Low moved, Councilor Causey second, the Budget Committee approve the
5 2021-22 budget for the City of Philomath as presented and, furthermore, moved the
6 Budget Committee approve the tax rate of \$5.3005.
7

8 (Mayor Jones returned to the meeting at 6:31 p.m.)
9

10 Motion APPROVED 11-2 (Yes: Brown, Causey, Conner, Crocker, Cummings, Koetz,
11 Irwin, Jones, Lehman, Low, and Nielson. No: Andrade and Biscoe).
12

13 Councilor Andrade declared that her opposition to the motion was due to the approval
14 process for the Capital Improvement Plan and inclusion of Local Improvement Districts
15 stemming from the Public Works Committee actions.
16

17 Councilor Biscoe declared that her opposition to the motion was due to lack of inclusion
18 of funding for a salary survey and lack of inclusion of funding for diversity, equity and
19 inclusivity activities. Chair Cummings noted that the City Council department funding
20 included funding for DEI. Councilor Biscoe reviewed issues with the budget process,
21 including lack of guidance for making revisions to the budget and ambiguity in the
22 process.
23

24 Mr. Workman thanked the Committee members for volunteering and participating and
25 thanked staff, particularly Finance Director Joan Swanson, for their efforts to develop the
26 budget.
27

28 **6. ADJOURNMENT:**

29 Chair Cummings adjourned the meeting at 6:38 p.m.
30
31

32 _____
33 SIGNED: Chris Kastella, 2022 Chair

ATTEST: Ruth Post, MMC, City Recorder