

BUDGET COMMITTEE
Minutes
February 28, 2022

1. ROLL CALL:

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

Citizen Members: Julie Conner, Van Hunsaker, Spencer Irwin, Chris Kastella, Candy Koetz, Christopher McMorran and Jeff Schiminsky.

Staff: City Manager Chris Workman, Finance Director Mike Murzynsky, and City Recorder Ruth Post.

2. POTENTIAL USES OF ARPA FUNDS:

Mr. Workman introduced new Finance Director Mike Murzynsky. Mayor Jones welcomed new Committee members Hunsaker, McMorran and Schiminsky.

Mr. Workman reviewed the staff memorandum, including accountability for use of the federal funds and the staff recommendation to use the flexible spending category. He reviewed the staff recommendation for City Hall improvements to better address meeting audio and visual needs and use of funds for infrastructure improvements.

There was discussion about use of previously received COVID-19 federal funds that were used for in-house pandemic-related expenses and grants for local businesses and non-profit agencies.

Each member of the Committee was given the opportunity to identify the programs and projects they supported funding for.

Councilor Lehman recommended 5% of the funds be set aside for social service agencies, fast tracking installation of a water meter reading tower and funds for a library expansion. Mr. Workman reviewed the opportunity currently available for non-profits to apply for funds from Benton County and the minimal requests the City has received for additional support. He noted the tower and library expansion were both projects that have been previously identified in City long-range plans. There was further discussion about the library expansion and the water meter reading system technology.

Mayor Jones advocated for investing in the projects to eliminate more of the 1952-era sewer pipes. There was discussion about the value of funding the sewer pipe projects.

Councilor Causey gave support for modifications to the City Hall Council Chambers improvements, sewer line replacement, and park trails. There was discussion about the potential and unpredictability for any future federal infrastructure funds that might get distributed.

There was additional discussion about the problems with the 1952-era sewer pipe that allows inflow and infiltration during heavy rain events, increasing treatment expenses, and additional older pipes with similar issues. Mr. Workman reviewed the transfers to savings that make completion of a project every three to four years possible and that the availability of the federal funds would be a jump-start for the South 16th, 17th and 18th Street project that has already been identified in the Capital Improvement Plan.

1 Councilor Andrade recommended asking for community member input to identify how to spend
2 the ARPA Funds and promoting how the City spends the funds. There was discussion about
3 options for getting public input and the public promotion of funded projects.
4

5 Councilor Low supported infrastructure investments with the opportunity presented by the funds,
6 supported the City Hall meeting room improvements, and supported the library project as part of
7 the City's facilities plan.
8

9 Councilor Biscoe noted the magnitude of the sewer master plan priority project list and
10 supported use of some of the funds for that, she also support community-oriented external
11 facing projects like the parks trails improvements, a commitment of funds towards the skate
12 park, potential improvements to the City's downtown lot, and way-finding signs. She also
13 supported the opportunity for community input. She supported a funding pool for other smaller
14 projects like the CIC and library expansion to show the community that things like this were
15 important to the City.
16

17 Mr. Schiminsky questioned if non-profit agencies had been sufficiently supported, if food-
18 security had been addressed, tourism needs, and other community organization needs. He
19 supported setting money aside for any future pandemic-related needs. Mr. Workman
20 summarized opportunities for local non-profit agencies to receive funding and the requirement
21 for these funds to be allocated by 2024 and spent by 2026.
22

23 Mr. Irwin supported some of the funding being public-facing and promoting the use of the money
24 to the public. He noted the expense of the 1952-era pipes and the benefit of improving the
25 system's efficiency by funding those projects. He noted the complicity of the wide-range of
26 options for the public to be able to provide input that takes everything into account.
27

28 Mr. McMorran questioned what the City's long-term plan has been to replace the sewer pipe.
29 Mr. Workman described the process of transferring savings annually to accumulate funding to
30 complete projects incrementally every three to four years.
31

32 Mr. Workman agreed that it could be beneficial for making a set-aside for outward-facing
33 projects. He suggested potentially establishing funds for those types of projects.
34

35 Councilor Nielson supported outward-facing projects, infrastructure improvements and the City
36 Hall Chambers improvements. She suggested 10% for outward-facing projects. There was
37 additional discussion about options to cover both social service funding and outward-facing
38 projects. Mr. Workman noted that capital improvement funds have already been saved for the
39 library and the timeline for moving that project forward.
40

41 Ms. Koetz suggested the sewer project is something that City really needs and the social
42 service agencies seem to have received City funding.
43

44 Ms. Kastella recommended funding the sewer project and using some of the balance towards
45 outward-facing projects to hit a lot of people in the City with opportunities. She did not support
46 dragging the decisions out.
47

48 Ms. Conner supported the sewer project and making some improvements to the City center,
49 trails and City Hall upgrades.
50

1 Mr. Hunsaker recommended allocating the sewer project, the City Hall upgrades, and using the
2 \$142,000 balance to receive citizen input towards additional projects.

3
4 Councilor Biscoe supported the alternative means to provide for community involvement. She
5 supported the infrastructure improvements and suggested allocations towards a skate park,
6 trails, farmers' market, Planning Commission Citizen Involvement Program, and downtown
7 square.

8
9 Councilor Low questioned if there should be any effort to put money forward to address
10 affordable housing and homelessness. Mayor Jones summarized discussion at the Finance and
11 Administration Committee to apply for Benton County funds for efforts like a revolving housing
12 fund. Mr. Workman reviewed the Benton County funding opportunities that could be applied for
13 and the concept to apply for funds for some type of revolving housing assistance. He suggested
14 having a discussion regarding the Benton County grant opportunity due to the approaching
15 deadline for applications.

16
17 Councilor Causey supporting prioritizing the infrastructure and City Hall improvements and
18 development of a simple on-line survey for the public to provide input on prioritization. Mr.
19 Workman suggested there was plenty of time to collect more input on outward-facing projects
20 but recommended that infrastructure projects be determined in the meanwhile to add them to
21 the new Capital Improvement Plan.

22
23 Mr. McMorran supported the infrastructure and City Hall improvements and receiving public
24 input on other projects. Mr. Workman described options for surveying the public and collecting
25 input and referring subsequent decision-making to the Council.

26
27 There was discussion about the timing of receipt of the funds, with Mr. Workman noting that half
28 of the funds have already been received. Councilor Lehman suggested spending the money
29 sooner than later due to inflationary trends.

30
31 Mayor Jones summarized the recommendations heard throughout the meeting with consensus
32 towards the \$1.078 million for sewer infrastructure for 17th & 18th, \$30,000 City Hall upgrades,
33 and conducting public input for the balance. Mr. Schiminsky stated he wasn't comfortable with
34 dedicating a major portion of the money for infrastructure.

35
36 There was discussion about the guidelines that were issued for the funds. Councilor Andrade
37 agreed with Mr. Schiminsky and supported doing something unique with the funds. Mr.
38 McMorran described concerns with doing something unique with the funds within the timeframe
39 available and felt the previously described outward-facing projects could have an impact on the
40 community.

41
42 Councilor Biscoe suggested getting community input before coming to a consensus.

43
44 **MOTION:** Mayor Jones moved, Mr. Hunsaker second, the City use ARPA funds to set aside
45 \$1.078 million for 17th & 18th Street sewer line project described in the memorandum, plus
46 \$30,000 for City Hall improvements, with the remaining funds to be used on projects that are
47 identified through a public engagement process.

48
49 Councilor Andrade did not support complete funding of the sewer project and advocated for
50 public input on the spending of the funds.

1 Motion APPROVED 11-3 (Yes: Causey, Lehman, Low, Nielson, Jones, Conner, Hunsaker,
2 Irwin, Kastella, Koetz, and McMorran; No: Andrade, Biscoe and Schiminsky.)

3
4 Councilor Lehman departed the meeting at 6:40 p.m.

5
6 **Benton County Grant Funds** – Mr. Workman suggested the Committee make some
7 recommendations regarding submitting for ARPA grant funds available from Benton County. He
8 described small business assistance grants that other agencies that may be applying for. Mayor
9 Jones noted that social service agencies can apply for funding directly from Benton County. He
10 supported the idea of a housing assistance program.

11
12 Councilor Biscoe gave support to small business assistance and stated concerns about the
13 oversight and complexity of a housing assistance program. She reviewed homelessness
14 advocacy efforts statewide, including the work of the League of Oregon Cities, suggesting
15 partnering with other agencies to support a program.

16
17 Mr. Irwin suggested applying for seed money for the skate park and supported the housing
18 assistance. Mr. Workman supported the partnership prospects for a housing assistance
19 program. Councilor Biscoe described building resources to develop an effort to address
20 homelessness and houselessness.

21
22 Councilor Causey recommended focusing an ask on projects and needs that are more clearly
23 defined to make a competitive application. There was discussion about partnering with Habitat
24 for Humanity for a down-payment assistance program. There was discussion about Habitat and
25 Harriet’s Housing also being an opportunity to invest in transitional housing.

26
27 There was discussion about the suggestions put forward. There was discussion about creating
28 an all-encompassing ask regarding housing and homelessness or focusing on a revolving
29 down-payment program. Mr. Workman recommended narrowing the discussion down to
30 prioritizing one or two projects. By majority consensus, the Committee committed to support of
31 grant applications for the skate park developing and development of a comprehensive policy
32 around homelessness and transitional housing.

33
34 **3. ADJOURNMENT:**
35 Meeting adjourned at 7:20 p.m.

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37 SIGNED: ATTEST:
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39 _____
40 Chris Kastella, 2022 Chair Ruth Post, MMC, City Recorder

41
42 Minutes recorded by Ruth Post, MMC, City Recorder

1 PHILOMATH BUDGET COMMITTEE
2 MEETING MINUTES
3 Philomath City Hall Council Chambers
4 April 20, 2022
5

6 **1. CALL TO ORDER - ROLL CALL**

7 Meeting called to order at 5:50 p.m. by Mayor Chas Jones

8
9 **Present:**

10 **City Council Members:**

11 Jessica Andrade

12 Ruth Causey

13 Matt Lehman

14 David Low

15 Teresa Nielson

16 Chas Jones

17 **Citizen Members:**

18 Julie Conner

19 Chris Kastella

20 Candy Koetz

21 Spencer Irwin

22 Christopher McMorran

23 Van Hunsaker

24 Jeff Schiminsky

8
9 **Absent:**

10 Catherine Biscoe

25
26 **Staff Present:**

27 Chris Workman, City Manager

28 Chelsea Starner, Assistant City Manager

29 Mike Murzynsky, Finance Director

30 Kevin Fear, Public Works Director

31 Ken Rueben, Police Chief

32 Ruth Post, City Recorder

25
26 **Absent:**

27 Kevin Fear, Public Works Director

33
34 **2. ELECTION OF CHAIR**

Start Time: 5:50 p.m.

Action: Nominate Chris Kastella as Chair.

Motion/Second: Low/Nielson

Vote: APPROVED 13-0 (Yes: Andrade, Causey, Lehman, Low, Nielson,
Jones, Conner, Kastella, Koetz, Irwin, McMorran, Hunsaker and
Schiminsky; No: None)

35
36 **3. APPROVAL OF MINUTES**

37 **3.1 Minutes of May 12, 2021**

Start Time: 5:53 p.m.

Action: Approve minutes as presented.

Motion/Second: Causey/Koetz

Vote: APPROVED 13-0 (Yes: Andrade, Causey, Lehman, Low, Nielson,
Jones, Conner, Kastella, Koetz, Irwin, McMorran, Hunsaker and
Schiminsky; No: None)

38 **4. RECEIVE BUDGET MESSAGE**

Start Time: 5:54 p.m.

Staff Report: City Manager Workman summarized the budget message, including
projects contemplated in the budget, revenues, and use of ARPA funds.

Discussion: • Expectations for amendments and corrections to the budget.

- Review of the budget meetings schedule.

1
2 **5. PUBLIC HEARING ON POSSIBLE USES OF STATE SHARED REVENUE**

3 Chair Kastella opened the public hearing.

Start Time: 6:04 p.m.

Staff Report: Finance Director Murzynsky reviewed the reason for the public hearing and the sources of state shared revenue.

Testimony: No members of the public requested to speak.

Discussion:

- Allocation of 35% of state shared revenue in support of social service agency funding.
- Changing the 35% allocation would be Council policy discussion.
- Review of new transient lodging tax.

Public hearing closed at 6:11 p.m.

4
5 **6. REVIEW BUDGET DOCUMENTS AND DISCUSS RELEVANT CHANGES**

Start Time: 6:11 p.m.

Staff Report: General Fund Revenue – Finance Director Murzynsky summarized the supplementary information at the end of the budget and reviewed general expenditure material and services increases of 2-3%.

Discussion:

- Plan actions: what is it and narrative does not match line item.
- Bus user revenue requires correction.
- Franchise fees for Alyrica.

6
7 **7. REVIEW GENERAL FUND BUDGET**

Staff Report: Finance Director Murzynsky summarized major expenditure changes.

Discussion:

- Use of term Personal Services required by GFOA to cover personnel costs – narrative says Personnel.
- Sick and Vacation Accrual for potential retirements.
- Copier machine cost allocation in copy costs throughout several City Hall departments.
- Office remodel that converted the existing copier room into an office for the Assistant City Manager and smaller copier room.
- Increase in contract planner costs to cover additional hours.
- Questions about planner staffing.

8
9 Committee took a break from 6:37 p.m. to 6:47 p.m.

Discussion:

- Lease versus purchase of copier.
- Expenses for providing utility online credit card payment services.
- Administration overhead costs in departments to be revisited at next meeting.
- Impact of accepting credit card payments on staffing efficiency.
- Fix last line of Finance narrative.
- Allocations for prisoner care and training in municipal court.
- Total Administration Expenditures line on Page 24 needs to be hidden.
- Police officer staffing level, addition of a part-time code enforcement officer, and speed enforcement.
- Re-allocation of personnel costs across all Public Works Departments resulted in a decrease to the personnel budget for Buildings & Grounds.

- City Hall remodel to add an office for new Assistant City Manager reviewed.
- Parks grounds maintenance increase to \$50,000 questioned.
- Annual payment to School District for tennis courts maintenance per agreement.
- Questions about expenses in Non-Departmental that could be in other departmental budgets and will be moved in the future.
- Types of dues paid from City Council department and adding \$50 for LOC Persons of Color Caucus membership.
- Future allocation of miscellaneous expenses into more appropriate line items.
- Allocation of City Attorney expenses to Administration Department in the future.
- Identifying departmental funds into Land, Building & Equipment to note purpose.
- Network consultant expense, including cyber security
- Transfers from General Fund to LBE Fund and allocation of ARPA funds.
- Staff to review 35% social service funding allocation from state shared revenues.
- Suggestion to move bus operations to somewhere other than City Council department budget.
- Staff to provide bus funding sustainability.
- Ending fund balance to cover expenses until November property taxes discussed and sunset of General Fund Fee.

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8. REVIEW PUBLIC WORKS BUDGET

Start Time: 7:24 P.M.

- Discussion:
- Allocation of different franchise fees in different department budgets.
 - Impact of Pioneer Connect fiber optic project.
 - Timing of chip sealing project this summer that could run over into new budget.
 - Inclusion of funds for a rate study in contracted services.
 - Change of GIS personnel from contract to regular staff.
 - Purchase of water from Corvallis via Rock Creek Water Intertie.
 - Workers Compensation work day tax questioned.
 - Decrease in Laboratory Analysis expenses.
 - Analysis of water and sewer rates reviewed.
 - Interest on investments explained.
 - Page 72, correct Office Specialist to GIS staff.
 - Purpose of the Development Review Fund in making sure developers pay City review and oversight expenses.
 - Stormwater detention lots maintenance.

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Break from 7:43 to 7:58 p.m.

1 **9. REVIEW COMMUNITY DEVELOPMENT AND ECONOMIC DEVELOPMENT FUNDS**
2 **BUDGETS**

Start Time: 7:58 PM

- Discussion:
- Downtown loan program in Community Development Fund to become more active with completion of the Downtown Streetscape project.
 - Original purpose of grant funds for low-income home rehabilitation.
 - Infrastructure loan at Mill Pond Industrial Park that is being repaid in annual payments through the Economic Development Fund.

3
4 **10. REVIEW LAND, BUILDING & EQUIPMENT AND SYSTEM DEVELOPMENT CHARGE**
5 **FUNDS BUDGETS**

Start Time: 8:03 PM

- Discussion:
- Purpose of LB&E Fund summarized by staff, reviewing resources and transfers.
 - Relationship of Capital Improvement Plan to LB&E.
 - Staff to review declining Library transfers.
 - Rework Loan Proceeds on Page 79 referring to the \$12 State grant for the water treatment plant.
 - ADA compliant restrooms at City Park being installed this summer.
 - Correct narrative on Page 79 related to Water Treatment Plan grant.
 - Staff reviewed Capital Outlay.
 - Next year accounting for projects to be updated.
 - Bike/footpath outlay discussed and the correlation to the Park Master Plan.
 - Landmark Drive Stormwater allocations in Street Infrastructure and Storm Drain Infrastructure lists to be reviewed by staff.

Start Time: 8:22 PM

- Discussion:
- System Development Charges: Staff reviewed the projects allocated in Governmental and Proprietary Funds.
 - Street SDC estimate to be added by staff to Page 85.
 - Update of the Stormwater Master Plan discussed and the lack of a storm drain reimbursement SDC.

6
7 **11. RESPOND TO QUESTIONS FROM THE BUDGET COMMITTEE**

Start Time: 8:31 PM

- Discussion:
- Next steps discussed.
 - Any questions to be directed to Mr. Murzynsky by Monday, April 25, so they can be addressed in the next meeting packet

8
9 **12. VISITORS COMMENTS**

10 None.

11
12 **13. ADJOURNMENT**

13 Meeting adjourned at 8:33 P.M.

14 SIGNED:

ATTEST:

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16 _____
17 Chris Kastella, 2022 Chair

Ruth Post, MMC, City Recorder

**PHILOMATH BUDGET COMMITTEE
MEETING MINUTES
Philomath City Hall Council Chambers
May 4, 2022**

1. CALL TO ORDER - ROLL CALL

Meeting called to order at 5:30 p.m. by Chair Chris Kastella

Present:

City Council Members:

Jessica Andrade

Catherine Biscoe

Ruth Causey

Chas Jones

Matt Lehman

David Low

Absent:

Teresa Nielson

Citizen Members:

Chris Kastella

Candy Koetz

Spencer Irwin

Christopher McMorran

Van Hunsaker

Jeff Schiminsky

Julie Conner

Staff Present:

Chris Workman, City Manager

Chelsea Starner, Assistant City Manager

Mike Murzynsky, Finance Director

Kevin Fear, Public Works Director

Ken Rueben, Police Chief

Ruth Post, City Recorder

Absent:

2. APPROVAL OF MINUTES

3.1 Minutes of February 28, 2022 and Minutes of April 20, 2022

Action: Approve February 28, 2022 minutes as presented.

Motion/Second: Schiminsky/Jones

Vote: APPROVED 11-0 (Yes: Andrade, Biscoe, Causey, Jones, Low, Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).

Action: Approve April 20, 2022 minutes as presented.

Motion/Second: Causey/McMorran

Discussion:

- Biscoe noted she would abstain due to absence from that meeting.
- Matt Lehman joined meeting.

Vote: APPROVED 11-0-1 (Yes: Andrade, Causey, Jones, Lehman, Low, Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None; Abstain: Biscoe).

3. RESPOND TO QUESTIONS FROM FIRST MEETING

Start Time: 5:40 p.m.

Staff Report: Finance Director Murzynsky reviewed the assembly of the responses to questions included in the packet, noting that any changes to the budget at this point require a motion and vote.

- 1 Discussion:
- 2 • Stability of State Shared Revenue and review of spreadsheet in
- 3 packet.
- 4 • Planning action fees summarized.
- 5 • Expectation for May 20 meeting to distribute updated pages.
- 6 • Philomath Connection bus service user fee deletion due to receipt of
- 7 federal transportation funding through Corvallis Transit Service.
- 8 Narrative to be updated to reflect change.
- 9 Action #1: Reduce bus user fees from Line Item 10-03605 by \$6,900.
- 10 Motion/Second: Hunsaker/Causey
- 11 Discussion:
- 12 • Receipt of \$36,500 in State Transportation Funding (STIF).
- 13 Withdrawal: Motion withdrawn.
- 14
- 15 Action #2: Revise 10-03605 of bus user fees, change to “STIF Funds” and revenue
- 16 amount to be \$37,500.
- 17 Motion/Second: Hunsaker/McMorran
- 18 Discussion:
- 19 • Federal grant dollars must be in the Line Item 38 series.
- 20
- 21 Action #3: Amend Action #2 to remove Line Item 10-03605 and add Line Item 10-
- 22 038xx to reflect \$37,500 in STIF funding.
- 23 Motion/Second: Irwin/Causey
- 24 Discussion:
- 25 • History for 10-03605 will stay in budget.
- 26 • Offset to be reflected in contingency.
- 27
- 28 Vote on Action #3: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
- 29 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).
- 30
- 31 Vote on Amended
- 32 Action #2: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
- 33 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).
- 34
- 35 Discussion:
- 36 • Continued review of Department Responses to Budget Committee
- 37 memorandum
- 38 • Calculation and allocation of administrative overhead costs and
- 39 revenues reviewed.
- 40 • Acknowledgement that administrative overhead is used by most cities.
- 41 • Parks ground maintenance increase due to major projects next year.
- 42 • Staff goal to reduce miscellaneous expenses over the year by
- 43 assigning to more appropriate line items. Consensus to leave the line
- 44 item as is in this budget.
- 45
- 46 Action #4: Amend Line Item 10-9-5233, Dues to include \$50 for the LOC POC
- 47 caucus and reduce contingency \$50.
- 48 Motion/Second: McMorran/Andrade
- 49 Vote: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
- 50 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).
- 51
- 52 Discussion:
- 53 • Transfer of ARPA funds and annual contributions to LBE.

- Allocation of remaining ARPA funds in City Council budget for ARPA projects.
- Summary of IT services provided by Feynman, including cyber security.
- Current projects underway with Feynman, including new telephone system.
- Status of contract extension with Feynman.
- Allocation of 35% of state shared revenues towards social service funding allocations.

11 Action #5: Increase Line Item 10-9-5155 Contributions from \$22,500 to \$36,811.
 12 Motion/Second: Hunsaker/Causey
 13 Vote: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
 14 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).

16 Discussion:

- Mid-Valley Partnership for RAIN Rural Entrepreneurial Development program contribution allocation set by population.

20 Action #6: Increase Line Item 10-9-5389 by \$3,700 for Rural Entrepreneurial
 21 Development Program participation and reduce contingency.
 22 Motion/Second: McMorran/Biscoe
 23 Discussion:
 24 • Support of the RAIN entrepreneurial development program and
 25 growth of the program throughout the pandemic locally and globally.
 26 Vote: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
 27 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).

29 Break 6:36 p.m. to 6:45 p.m.

31 Discussion:

- Bus funding sustainability and addition of four new runs with the addition of the STIF funds.
- Contract services increase due to maintenance of Stormwater detention ponds. Increase in Stormwater expenses anticipated in coming years due to increased statutory oversight requirements.
- Public Works staffing level and current recruitment.
- Declines in Library transfer to LBE and addressing transfer planning in the future.
- Landmark Drive improvements in the Capital Improvement Plan (CIP) and the awarded contract matching up closely to estimates.
- No projects for the year using Street System Development Charges (SDCs).
- Difference between Capital Outlay budget and the CIP.

46 Action #7: Add Park Grant Line Item of \$25,000 to revenue and \$25,000 to Capital
 47 Outlay for skate park feasibility study.
 48 Motion/Second: Jones/Koetz
 49 Discussion:
 50 • Grant being applied for and filing to be awarded grant would preclude
 51 money being spent.
 52 Vote: APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low,
 53 Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).

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- Contingencies established for Landmark and N 11th Street Local Improvement District (LID) projects and process of approvals for projects.
- Difference between contingency funds in the individual budget funds and contingencies built into project estimates, along with levels of approval required either by staff or the Council for use of contingency funds.
- Water treatment plant cost expectations, expected expenditures for the 2022-23 year on the project, and Council approval requirement for use of the Capital Outlay Fund contingency allocation.
- Allocation of Republic Services and Pioneer Telephone franchise fees in the Street Fund revenues instead of the General Fund with other franchise fees.

Action #8: Move Line Item 21-03420 Republic Services and 21-03450 Pioneer Telephone franchise fees to General Fund Budget.

Motion/Second: Hunsaker/Causey

Discussion:

- Discussion about need for a corresponding transfer to the Street fund to replace the revenues.
- Logic of having all franchise fee revenue in one location and potential of revenues being allocated away from the Street Fund and used in the General Fund for other purposes.
- Council review of policy regarding funding of Street Fund.

Action #9: Amend Action #8 to transfer an equal amount from the General Fund to the Street Fund.

Motion/Second: Koetz/Causey

Vote: Amendment APPROVED 12-0 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low, Kastella, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None).

Vote on Amended

Action #8: APPROVED 11-1 (Yes: Andrade, Biscoe, Causey, Jones, Lehman, Low, Kastella, Koetz, Irwin, Hunsaker and Schiminsky; No: McMorran).

Discussion:

- Council to consider other input made during discussion at a later date.
- Method and reasons for establishing franchise fees for use of public right-of-way.
- Transfer of funds from Storm Drain Fund to cover employee costs and staff expectation to review those allocations in the next year.
- Policy for transferring funds from one fund to another and audit tracking impacts on accounting processes.
- Oil mat/crack & slurry seal expenses as maintenance costs, not capital improvements.
- State Highway Tax for bike paths, no action.
- Budget document format improvements to be considered for next year.
- Addition to of City's financial software modules to improve process and planning in coming years.
- Contingency after amendments approximately \$203,000.

1 **4. BUDGET COMMITTEE DISCUSSIONS & DELIBERATIONS**

2 Start Time: 7:50 p.m.

3 Discussion:

- 4
- No additional questions.
 - May 11 and May 18 meetings cancelled.
 - Updated pages to be distributed prior to May 25 final meeting.
- 7

8 **5. VISITORS COMMENTS**

9 Start Time: 7:52 p.m.

10 No commenters.

11

12 Discussion:

- 13
- Staff encouraged feedback on the new process for reviewing the budget and stated appreciation for the Committee's efforts.
- 15

16 **6. ADJOURNMENT**

17 Meeting adjourned at 7:55 P.M.

18

19 SIGNED:

ATTEST:

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21 _____

22 Chris Kastella, 2022 Chair

Ruth Post, MMC, City Recorder

**PHILOMATH BUDGET COMMITTEE
MEETING MINUTES
Philomath City Hall Council Chambers
May 25, 2022**

1. CALL TO ORDER - ROLL CALL

Meeting called to order at 5:42 p.m. by Mayor Chas Jones

Present:

City Council Members:

Jessica Andrade
Chas Jones
Matt Lehman
David Low
Teresa Nielson

Absent:

Ruth Causey
Catherine Biscoe

Citizen Members:

Julie Conner
Candy Koetz
Spencer Irwin
Christopher McMorran
Van Hunsaker
Jeff Schiminsky

Chris Kastella

Staff Present:

Chris Workman, City Manager
Chelsea Starner, Assistant City Manager
Mike Murzynsky, Finance Director

Absent:

Ruth Post, City Recorder
Kevin Fear, Public Works Director
Ken Rueben, Police Chief

2. APPROVAL OF MINUTES

Action: Approve minutes of May 4, 2022, as presented.
Motion/Second: Lehman/Schiminsky
Discussion: None
Vote: 11-0 (Yes: Andrade, Lehman, Low, Nielson, Jones, Conner, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None)

3. VISITORS COMMENTS

None

4. BUDGET COMMITTEE APPROVAL OF THE BUDGET DOCUMENT

Start Time: 5:44 p.m.
Staff Report: Finance Director Murzynsky described the summary report.
Action #1: Budget Committee approval of a budget for the Fiscal Year beginning July 1, 2022, and ending June 30, 2023, for the City of Philomath with Total Requirements of \$39,380,035; in accordance with the foregoing summary of Funds and changes, and further recommend that the approved budget for Fiscal Year 2022-2023 be adopted by the City of Philomath City Council.

Questions:

- Discussion about Streetscape project additional \$200,000 in funding coming from the 11th Street LID project funds instead of the Street Reserve Fund
- Request to track/note where the Streetscape project funds are being transferred from and to, for future Council members

- Note that when looking at the Capital Improvement Project list next year, additional funds will need to be included if the 11th Street LID project will be added back to the project list
- Question about 11th Street project assessments; confirmation by staff that no property owners have been assessed
- Commitment by staff to go through agenda attachments for scrivener's errors

Motion/Second: Nielson/McMorran
Discussion: None
Vote: 11-0 (Yes: Andrade, Lehman, Low, Nielson, Jones, Conner, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None)

5. APPROVAL OF AD VALOREM PROPERTY TAX RATE

Start Time: 5:56 p.m.
Action #1: The Budget Committee hereby approves taxes provided for in the City of Philomath's budget for the fiscal year beginning July 1, 2022, and ending June 30, 2023, at the rate of \$5.3005 per \$1,000 of assessed value.
Motion/Second: McMorran/Koetz
Discussion: None
Vote: 11-0 (Yes: Andrade, Lehman, Low, Nielson, Jones, Conner, Koetz, Irwin, McMorran, Hunsaker and Schiminsky; No: None)

6. ADJOURNMENT

Meeting adjourned at 5:58 p.m.

SIGNED: _____ ATTEST: _____
Chas Jones, Mayor Chelsea Starner, Assistant City Manager