

**PHILOMATH COMMON COUNCIL**  
**MINUTES**  
**January 13, 2014**

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6 **1. CALL TO ORDER**

7 The common council of the City of Philomath was called to order on Monday, January  
8 13, 2014, at 7:00 PM in the Philomath City Hall Council Chambers by Mayor Rocky  
9 Sloan.

10  
11 **Present:** Mayor Rocky Sloan, Councilors Angie Baca (arrived at 7:05 p.m.), Matt Bierek,  
12 Charla Koeppe, Jason Leonard and Sean Manning.

13  
14 **Staff:** Randy Kugler, City Manager; Jim Brewer, City Attorney; Joan Swanson, Finance  
15 Director; Kevin Fear, Public Works Director; and Ruth Post, City Recorder.

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17 **Excused:** Councilor Nolan Bartlow.

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19 **2. CONSENT AGENDA**

20 **2.1 City Council Minutes – December 9, 2013**

21 **2.2 City Council Minutes – December 18, 2013**

22 **2.3 Finance/Administration Committee Minutes – December 18, 2013**

23  
24 **MOTION:** Councilor Koeppe moved, Councilor Leonard second, to approve the  
25 consent agenda and the council agenda for January 13, 2014, as presented.  
26 Motion APPROVED 6-0 (Yes: Baca, Bierek, Koeppe, Leonard, Manning, and  
27 Sloan; No: None.)  
28

29 **3. ITEMS REMOVED FROM CONSENT AGENDA**

30 **3.1** None.

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32 **4. PRESENTATIONS**

33 **4.1 Certificate of Appreciation for Jim Koetz, Planning Commissioner, 2006-**  
34 **2013 –** Mayor Sloan thanked Mr. Koetz for his eight years of service on the  
35 Planning Commission and presented him with a certificate of appreciation.

36  
37 *(Councilor Baca arrived at 7:05 p.m.)*  
38

39 **5. VISITORS/PETITIONS**

40 **5.1 David Braly, Philomath, OR –** Mr. Braly stated he is a local contractor and  
41 wanted to make sure the City Council knew that he believes Philomath is getting  
42 on the high side for System Development Charges. He stated he had done some  
43 comparison SDC's in other mid-Willamette Valley area cities for a duplex such as  
44 he wants to build. He stated that Philomath is \$20,000 more than Dallas for a  
45 duplex and the Council is considering increasing them more. He connected the  
46 high cost of building to a lack of housing for families which costs the school  
47 district money. He would like to see the price of SDC's for a duplex reduced  
48 closer to \$24,000 like Dallas and the city would benefit in more tax revenues. Mr.  
49 Braly stated that rental income in Corvallis is higher for a duplex than in  
50 Philomath.  
51

1 Mayor Sloan noted that he is aware of construction in Tangent that has additional  
2 costs for well digging and septic or sewer systems that would add to the cost of  
3 the SDC's Mr. Braly quoted.

4  
5 **5.2 Kelly Howard, Philomath School District Business Manager, Philomath, OR**  
6 – Mr. Howard distributed his comments about System Development Charges  
7 (Supplemental Agenda Item #5.2). He suggested it would be in the City's best  
8 interest to freeze or reduce SDC's based on additional property tax revenues that  
9 could be realized by having houses on vacant lots. He stated that based on his  
10 knowledge from the recent school construction process, increased construction  
11 would have a 7X multiplier in economic activity by putting contractors to work. Mr.  
12 Howard stressed that the decreasing student enrollment has had a major impact  
13 on the school district's funding and increasing the number of homes being built  
14 would significantly benefit the schools.

15  
16 **6. STAFF REPORTS**

17 **6.1 City Manager** – Mr. Kugler provided an update on the City Park shelter. He  
18 stated the siding is on, roof is on and the heating system is installed.

19  
20 **6.2 Public Works Director** – Mr. Fear reported that they are putting finishing  
21 touches on the reservoir repair project and it should be leak-free within the next  
22 couple of days. He stated that this is the ideal time of year to do this type of  
23 repair.

24  
25 **6.3 City Recorder** – No report.

26  
27 **6.4 Finance Director** – No report.

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29 **6.5 Police Chief** – Excused.

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31 **6.6 City Attorney** – Mr. Brewer reported on the tobacco ordinances that have now  
32 been updated at Benton County and the City of Corvallis. He stated that Sarah  
33 Hartstein would like to appear before the Council to provide an update.

34  
35 **7. COUNCIL REPORTS**

36 **7.1** No reports.

37  
38 **8. NEW BUSINESS**

39 **8.1 Budget Committee appointments** – Mr. Kugler explained that three  
40 applications have been received for the four open positions on the Budget  
41 Committee.

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43 **MOTION:** Councilor Bierek moved, Councilor Manning second, the City Council  
44 waive the two week waiting period and appoint Jerry Jackson Sr., Candy Koetz,  
45 and Ashley Hall to the City Budget Committee. Motion APPROVED 6-0 (Yes:  
46 Baca, Bierek, Koeppe, Leonard, Manning and Sloan; No – None.)

47  
48 **8.2 Planning Commission appointments** – Mr. Kugler explained that two  
49 applications have been received for the three positions on the Planning  
50 Commission.

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52 **MOTION:** Councilor Bierek moved, Councilor Leonard second, the City Council  
53 waive the two week waiting period and appoint Leroy Fenn to the City Planning

1 Commission for a 4-year term and Shon Heern to the City Planning Commission  
2 for a 4-year term. Motion APPROVED 6-0 (Yes: Baca, Bierek, Koeppe, Leonard,  
3 Manning and Sloan; No – None.)  
4

5 **8.3 Philomath Police Personnel Association (PPPA) contract offer** – Mr. Kugler  
6 explained the proposal presented by the PPPA. He explained the salary analysis  
7 that has been performed and staff recommendation to accept the proposal. He  
8 stated the Finance/Administration Committee has reviewed the proposal and  
9 recommended acceptance.  
10

11 Councilor Koeppe declared a real conflict of interest due to her husband's  
12 employment as a Philomath police officer and member of the Philomath Police  
13 Personnel Association.  
14

15 **MOTION:** Councilor Manning moved, Councilor Baca second, to approve a three  
16 year labor contract with the Philomath Police Personnel Association for the  
17 period beginning May 1, 2014, through April 30, 2017, incorporating those  
18 requests made by the PPPA in their November 23, 2013, letter to the City  
19 Manager. Motion APPROVED 5-0 (Yes: Baca, Bierek, Leonard, Manning and  
20 Sloan; No: None; Abstained: Koeppe.)  
21

22 **8.4 Finance Director position reclassification** – Mr. Kugler explained that this has  
23 been reviewed by the Finance/Administration Committee and summarized the  
24 intent to formalize duties that are already being performed by the Finance  
25 Director and the addition of some new responsibilities. He noted the labor  
26 negotiations duties that have been historically contracted out much of which  
27 would be assumed by the Finance Director under this reclassification.  
28

29 **MOTION:** Councilor Bierek moved, Councilor Leonard second, that the City  
30 Council support the City Manager's decision to reclassify the Finance Director  
31 position and increase the current salary by \$650 per month effective February 1,  
32 2014. Motion APPROVED 6-0 (Yes: Baca, Bierek, Koeppe, Leonard, Manning  
33 and Sloan; No – None.)  
34

35 **8.5 Park Master Plan funding** – Mr. Kugler reviewed the history of the recently  
36 adopted Park Master Plan and noted that the projects in the plan total  
37 approximately \$1 million. He noted that there are not a lot of details available for  
38 the proposal at this time but staff wanted to get direction from Council regarding  
39 developing a funding plan to possibly put before the voters. Councilor Bierek  
40 questioned if it is possible to formulate the proposal to do away with the park  
41 SDC fee. Mr. Kugler noted that the park SDC is fairly minimal and there is a role  
42 for development to contribute towards future park construction. Mayor Sloan  
43 stated that the master plan was a result of a strong response to a survey in which  
44 citizens indicated they wanted these facilities, and this is an opportunity to ask  
45 the voters if they want to support the plan financially. Councilor Manning stated  
46 reluctance to add to taxpayers' burdens. Councilor Baca stated that the question  
47 tonight doesn't obligate the Council to put it on the ballot but creates the option.  
48 Mr. Kugler explained that giving the voters the option would complete the cycle  
49 for the plan; and if the voters turned it down, then the Council had completed  
50 their obligation by giving the voters the opportunity to decide. Ms. Swanson  
51 explained the process of working with the County Assessor to perform test  
52 estimates to determine accurate figures to work with.  
53

1 **MOTION:** Councilor Baca moved, Councilor Manning second, that the City  
2 Council instruct staff to develop a detailed financial analysis for further  
3 consideration for the two financing options identified, leading to the possible  
4 financing development of park and recreation facilities. Motion APPROVED 6-0  
5 (Yes: Baca, Bierek, Koeppe, Leonard, Manning and Sloan; No: None.)  
6

7 **8.6 SDC Construction cost adjustments** – Mr. Kugler explained this is the annual  
8 review of SDC fees based on the ENR construction cost index increase. Mr.  
9 Kugler reviewed how the SDC fees were originally determined based on each of  
10 the master plans. He stated they are tailored to the unique needs of each  
11 community. He stated that the idea behind SDC's is that growth shall pay for its  
12 own way and it's not appropriate for existing residents to have to pay for facilities  
13 that have to be expanded due to growth. He stated the methodology for  
14 developing SDC's has been adopted by state statute and an engineer uses that  
15 methodology combined with the projects identified in the master plans to  
16 determine the costs that can be attributed to SDC's. He noted the recently  
17 completed \$6.1 million in sanitary sewer system improvements as an example of  
18 a master plan project and stated that without SDC's, ratepayers would have to  
19 bear a much higher cost.  
20

21 Mr. Kugler reviewed some of the figures he had received from Corvallis for their  
22 SDC's and summarized some of the differences in the numbers he received  
23 compared to those quoted by Mr. Braly earlier tonight. He noted that in recent  
24 years Habitat for Humanity has built 6 houses in Philomath and they are known  
25 for being very frugal. He also noted that Mr. Howard is correct that a new house  
26 would provide approximately \$4,000 in property taxes but the City would receive  
27 only approximately 25% of those taxes. He also noted that one of the arguments  
28 used several years ago to advocate against the Lowther annexation and the  
29 number of new homes that would result was that it would overwhelm the school  
30 system.  
31

32 There was discussion about how Corvallis used to have higher SDC's than  
33 Philomath, prior to the completion of several of our master plans. Mr. Kugler  
34 stated there have been some cities that have lowered SDC's to encourage  
35 building but those costs must be made up somewhere to complete the projects in  
36 their master plans. Councilor Manning noted that it seemed better to leave SDC's  
37 as is and not have growth than to lower them. Ms. Swanson explained the  
38 process used to construct a facility such as the sewer lagoons to expand  
39 capacity and use SDC's from growth to help pay for the expense. Mr. Kugler  
40 described what happens if the infrastructure doesn't keep up and results in state  
41 regulation and requirements to construct projects at less than opportune times.  
42

43 Mr. Kugler explained that SDC's are very carefully audited to ensure that they are  
44 spent only on the projects they are intended for. Councilor Bierek questioned if  
45 developers can defer and pay SDC's in a payment plan. Mr. Kugler explained the  
46 options available to a developer for large-scale projects and the deferral program  
47 that is also available. Councilor Manning questioned what would be the effect of  
48 not approving the 2.7% increase. Mr. Kugler explained this keeps the rates  
49 current in today's dollars. Councilor Bierek suggested approving the increase  
50 with a delayed effective date.  
51

52 **MOTION:** Councilor Bierek moved, Councilor Leonard second, the City Council  
53 approve construction cost adjustments to SDCs as proposed on the attached  
54 Schedule A with an effective date of April 1, 2014. Motion APPROVED 6-0 (Yes:

Baca, Bierek, Koeppe, Leonard, Manning and Sloan; No: None.)

- 8.7 Committee and Representative Assignments** – Councilor Baca offered to replace Councilor Bartlow as the Philomath Downtown Association representative since she is the PDA Treasurer. Councilor Baca stated she might be interested in being an alternate on the MPO or ACT after April.

**9. INFORMATION/CORRESPONDENCE**

**9.1 Email from Philomath Community Services regarding holiday fundraising campaign** – No comments.

**9.2 Website report for December 2013** – No comments.

**9.3 Philomath Connection ridership for December 2013** – No comments.

**9.4 Quarterly budget update for period ended December 31, 2013** – No comments.

**10. EXECUTIVE SESSION**

**10.1 ORS 192.660(2)(a) Employment of Public Officers, Employees and Agents** –

At 8:23 p.m., Mayor Sloan moved the Council into Executive Session per ORS 192.660(2)(a) and read the executive session statement regarding media attendance and confidentiality.

**ROLL CALL:** Mayor Rocky Sloan; City Councilors Angie Baca, Matthew Bierek, Charla Koeppe, Jason Leonard and Sean Manning; City Manager Randy Kugler; City Attorney Jim Brewer; Finance Director Joan Swanson; Public Works Director Kevin Fear; and City Recorder Ruth Post.

At 8:37, Mayor Sloan moved the Council out of Executive Session and back into regular session.

**11. OLD BUSINESS**

**11.1 City Manager Recruitment** –

**MOTION:** Councilor Manning moved, Councilor Koeppe second, to instruct the City Manager to begin negotiations with Mr. Christopher Workman leading to an offer of employment as City Manager. Motion APPROVED 6-0 (Yes: Baca, Bierek, Koeppe, Leonard, Manning and Sloan; No: None.)

There was brief additional discussion about the loss of the institutional knowledge that Mr. Kugler’s retirement will bring especially in discussions such as the systems development charges.

**12. ADJOURNMENT**

**10.1 Adjournment** –Seeing no further business, Mayor Sloan adjourned the meeting at 8:39 p.m.

SIGNED:  
Rocky Sloan, Mayor

ATTEST:  
Ruth Post, MMC, City Recorder