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CITY OF PHILOMATH
Finance/Administration Committee
February 28, 2020

Chair David Low called the meeting to order at 3:30 p.m. in the City Hall Council Chambers, 980 Applegate Street, Philomath, Oregon.

ROLL CALL:

City Councilors Matt Lehman, Chas Jones and David Low.

Staff: City Manager Chris Workman, Finance Director Joan Swanson, City Attorney Jim Brewer (arrived 3:35 p.m.) and City Recorder Ruth Post.

MINUTES:

Chair Low requested that Mr. Workman send out the existing City Manager's evaluation form.

MOTION: Councilor Low moved, Councilor Lehman second, to approve the minutes of February 4, 2020 as presented. APPROVED 3-0 (Yes: Jones, Low and Lehman; No: None).

NEW BUSINESS:

3.1 General Fund Fee review – Ms. Swanson summarized how the General Fund Fee impacts the budget and preparation of the budget. She reviewed the goals associated with adoption of the fee. She noted that the property tax revenues have begun to increase as of the current year and, with increasing construction on developments, it should continue to increase. She described the increase in state revenue sharing disbursements based on increased population. There was a discussion about the calculation of population estimates compared to the actual census figures every ten years.

Ms. Swanson reviewed the Capital Improvement Plan that was approved by the Public Works Committee earlier this month, including transfers for buildings. She described space issues at city hall and the library as needing to be addressed and the ending fund balance needed to pay bills from July 1 to October 31, when property tax revenues are received. After analysis, she explained that staff is recommending a reduction of the General Fund Fee from \$10 to \$5 per month for the next fiscal year.

Chair Low reviewed the history of being on the Council at the time the fee was implemented and the five-year sunset of the fee. Ms. Swanson reviewed the growth of property tax revenues and the savings that have been rebuilt over the past three years with the fee. Ms. Swanson and Mr. Workman both expressed that they believed the reduction in the fee would be sufficient based on the growth that is happening and would be a positive impact for rate payers in light of increases to water rates.

Councilor Lehman stated appreciation for decreasing the fee. There was discussion about the exact amount of reduction and agreement to go with the \$5 recommendation.

MOTION: Councilor Jones moved, Councilor Lehman second, the Finance and Administration Committee approve renewal of a \$5 per month General Fund Fee and recommend the City Council approve the fee for fiscal year 2020-2021. APPROVED 3-0 (Yes: Jones, Low and Lehman; No: None).

3.2 Transient Lodging Tax (TLT) discussion: Council Objective 2.3.4 – Mr. Workman reviewed the graph included in the packet compiled by the League of Oregon Cities showing

1 TLT rates and revenues collected in 2018. He reviewed the revenue estimate charts. There was
2 discussion about the motel occupancy. There was discussion about the rentals provided by
3 Harriet Hughes and whether they would be within the definition of short term occupancy. Mr.
4 Brewer described the set of statutory definitions that govern TLTs. Chair Low stated concern
5 that a TLT not impact special needs categories. There was discussion about the impact of long
6 term stays at the RV park.

7
8 There was discussion about VRBOs and AirBnBs. There was discussion about the 9% rate
9 charged in Corvallis and advantages/disadvantages of setting a rate higher, lower or the same.

10
11 There was discussion about the types of expenditure that TLT revenues can be allocated to and
12 the revenue stream being available to provide for tourism related efforts. Mr. Workman
13 described the most recent effort by the Frolic & Rodeo Association to receive grant funding for a
14 strategic planning effort. There was additional discussion about tourism efforts that could benefit
15 from the revenues.

16
17 Councilor Jones stated he didn't see a lot of downside and would be interested in the input that
18 would come from the public. He encouraged a public opportunity to weigh in. Mr. Workman
19 distributed an example of a similar ordinance approved by the City of Veneta (Supplemental
20 Agenda Item).

21
22 Mr. Workman encouraged engaging the Chamber, Frolic and other local tourism related
23 organizations to develop a list of potential funding uses to address the "why" before taking it to a
24 public forum. There was discussion about art that promotes the identity of the community to
25 tourists.

26
27 There was discussion about this being an opportunity to get more people to go downtown and
28 tying the TLT back to the Strategic Plan. There was additional discussion about determining a
29 process for disbursing funding requests.

30
31 There was discussion about the process to adopt, including public hearings. Mr. Workman
32 emphasized the types of opposition to be expected from statewide industry organizations who
33 will want to know what the money is going to be directed to. He explained the advantage of
34 developing a list of expected projects prior to reaching that point.

35
36 There was discussion about timing of a decision and actual construction of the RV park. Mr.
37 Workman agreed to do outreach to the City of Corvallis regarding collection and reviewed other
38 questions to gain answers to. There was discussion about the method Corvallis uses for
39 allocating their funds. There was discussion about whether to proceed or table the discussion
40 until after completion of the budget. There was consensus to gather additional information for
41 the next Committee meeting and then delay proceeding until after completion of the budget
42 process.

43
44 **3.3 City Manager's evaluation format and process discussion** – Chair Low referred to the
45 article included in the packet and questioned the value for Mr. Workman of his annual
46 performance evaluation.

47
48 Chair Low described the ability of the Council to make changes to the process in the event of
49 having a new city manager to evaluate. Councilor Jones suggested a policy of performing
50 annual evaluations on a new hire. Mr. Workman described his first 3-year contract having

1 included a requirement for annual evaluations. There was additional discussion about the long-
2 term relationship of a city manager and council.

3
4 There was discussion about the pay element associated with evaluations and cost-of-living
5 increases. Mr. Workman noted that his position wasn't that much different than any other
6 employee in terms of setting pay schedules and COLA increases.

7
8 There was discussion about the value of the current evaluation process. Chair Low stated his
9 appreciation for the self-review completed annually by Mr. Workman. Mr. Workman noted that
10 one of the suggestions that came out of the last evaluation was to gain more input from his staff.

11
12 Mr. Workman suggested simplification of the process, including completing the evaluation on-
13 line and creating less repetitive questions. He suggested coupling that with a self-evaluation and
14 staff review could be more beneficial.

15
16 There was discussion about the timing of an evaluation and separating it from compensation
17 discussions. There was additional discussion about performance evaluations for the city
18 attorney and municipal judge. There was discussion about feedback that has been conveyed to
19 the city attorney's office over time. Mr. Workman suggested a three to five year review of the
20 contracts for those positions to ensure the Council knows the expectations for those positions.

21
22 Mr. Workman suggested that the process in place is working but could always consider
23 improvements. He offered to put together an evaluation that is appropriate in scope and provide
24 the Committee with contracts for the attorney and judge.

25
26 There was discussion about the timeline for staff to return with information. It was agreed to
27 bring this back after the budget was completed.

28
29 **3.4 Risk Management Services** – Ms. Swanson distributed a handout showing risk
30 management services and coverages that Philomath has with City County Insurance
31 (Supplemental Agenda Item 3.4). She reviewed the statistics provided by CIS, including the
32 claims summary. She described some of the challenges of managing workers' compensation
33 claims.

34
35 Councilor Jones suggested it would be helpful to know if Philomath is over-insured or under-
36 insured. Ms. Swanson explained the City uses an independent agent to provide those types of
37 service evaluations.

38
39 **3.5 Pandemic Planning** – Chair Low questioned what the City's plan is to cover any pandemic
40 caused by the corona virus. Ms. Swanson described the evaluation by the health insurers to
41 ensure adequate reserves are in place to cover claims. Mr. Workman emphasized the
42 information available through the Benton County Health Department and that the City would
43 work with them in the event it is needed.

44
45 Meeting adjourned at 5:10 p.m.

46
47 Meeting recorded by Ruth Post, MMC, City Recorder