

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
April 20, 2017**

City Recorder Ruth Post convened the meeting at 7:00 p.m.

1. ROLL CALL

Present:

City Council Members: Mayor Rocky Sloan, City Councilors Doug Edmonds, Charla Koeppe, Candy Koetz, David Low, Sean Manning and Eric Niemann.

Citizen Members: Robert Boss, Ashley Folgate, Murl Meredith, Brian Noakes, Scott Weaver, Terry Weiss, and Marion Dark (arrived at 7:04 p.m.).

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: Terry Weiss moved, Sean Manning second, to nominate Murl Meredith as 2017 City Budget Committee Chair. Motion FAILED 6-6 (Yes: Niemann, Manning, Noakes, Weaver, Weiss, Folgate; No: Sloan, Koeppe, Edmonds, Low, Boss, Koetz, Abstained Meredith)

MOTION: Charla Koeppe moved, Doug Edmonds second, to nominate Robert Boss as 2017 City Budget Committee Chair. Motion APPROVED 12-1 (Yes: Sloan, Niemann, Koeppe, Edmonds, Low, Boss, Manning, Koetz, Noakes, Weiss, Folgate, No: Weaver)

3. APPROVAL OF MINUTES

MOTION: Doug Edmonds moved, Charla Koeppe second, to approve the minutes of May 18, 2016, as presented. Motion APPROVED 13-0 (Yes: All No: None).

(Marion Dark arrived at 7:04 p.m.)

VISITORS/PUBLIC COMMENTS

4.1 Jeannie Gay, Philomath, OR -- Ms. Gay described how much of her property tax bill goes to the City compared to other taxing districts. She reminded the Committee of the condition of the old City Hall building and described building the Library, Police Building and City Hall. She encouraged the Committee to think of the future of the community and not to strip it of valuable services or personnel.

4. BUDGET MESSAGE

Mr. Workman provided the budget message as included in the proposed budget document. Ms. Swanson provided an overview of the budget, including the projections she developed regarding shortfalls in the cash carryover and transfers to the Land, Building and Equipment Fund. She suggested reviewing each of the department budgets in the General Fund; and after completion of that, reviewing the General Fund Fee proposal.

5. **REVIEW GENERAL FUND BUDGET**

General Fund Revenues – Ms. Swanson reviewed the General Fund cash carryover and the anticipated shortfall until receipt of property taxes on November 15th, which will need to be borrowed from another fund and paid back.

She reviewed the various revenue streams as listed in the proposed budget.

She reviewed the revenue estimate for the proposed General Fund Fee. There was discussion about the calculation method for the proposed fee. Mr. Meredith questioned if a flat fee was equitable for residential customers and felt it would be easier for a commercial customer to pay more. There was discussion about the fee being relative to calls and use of city services. Mr. Meredith suggested another alternative of using property tax levels to develop a fee. There was discussion about contemplating other alternatives to the fee. It was agreed that the fee would be revisited after complete review of the General Fund proposed budget.

There was discussion about estimated building permit fees based on 15 new houses, the same as the current year. Ms. Swanson briefly explained the difference between permit fees and system development charges.

Ms. Swanson reviewed a small increase estimated in franchise fees. There was discussion about the maximum amounts allowed for franchise fees and that the City charges that maximum. There was discussion about the way municipal court fees are allocated to the State and various agencies. Ms. Swanson explained the administrative overhead charged to other funds for finance and administration staff time used towards the benefit of those funds.

There was brief discussion about grants received by the Police Department.

Administration/Planning – Mr. Workman reviewed the staff activities encompassed in the Administration/Planning Department. He reviewed the 3% increase in that budget and the 2017-18 objectives. He provided an expanded overview of the five year strategic plan implementation. There was discussion about whether there were line items that could be cut. Mr. Workman noted the materials and services were estimated to be on par with the 2015-16 expenses. There was discussion about personnel costs, PERS expenses and options, including benefit or pay cuts. There was discussion about short term savings versus long term sustainability and employee retention.

Building Permits – Ms. Swanson reviewed the Building Permit Department budget and explained the direct connection between the expense to the County and the building permit revenues. There was discussion about the recent increase over previous years.

Finance – Ms. Swanson reviewed the Finance budget, including the relationship between utility billing expenses and the administrative overhead charged to the water and sewer funds. There was brief discussion about the refinancing of the outstanding sewer bonds and the long-term savings from that action last November.

Municipal Court – Ms. Swanson reviewed the Municipal Court expenses, particularly defense attorney fees and prisoner care. She provided an overview of statistics provided in the budget summary. There was discussion about PERS rates as determined by the State and potential legislation that could impact those rates.

Police – Chief Rueben summarized the development of the Police Department budget. He explained the 9-1-1 Center expense passed through from the County. He described overtime and the impact of major crimes such as the two rape cases this year. He described the impact on the department of cutting an officer and other agencies that are hiring officers. There was discussion about community outreach programs. There was discussion about pro-active measures, such as body cams, helping deter lawsuits. There was discussion about increases in calls for service and the types of calls that are received. There was discussion about child abuse case investigation protocols being changed and more cases being referred to the Police Department, and the effect on the department scheduling to meet that need. Chief Rueben described decreases in federal grant monies over recent years for Police Departments and potential increases with the new federal administration.

Buildings & Grounds – Mr. Fear reviewed expenses related to maintenance of the library, police building and city hall, including custodial services. There was discussion about roof replacement expenses. There was discussion about outsourcing GIS services from the Council of Governments and the benefits of maintaining infrastructure records through GIS.

Parks – Mr. Fear explained use of GIS to create an inspection record for park equipment to protect the City from insurance claims. There was discussion about the impact of a new park on North 11th Street on the budget. There was discussion about workers' compensation rate increases and documentation of hours spent in each rate class. There was discussion about use of volunteers for landscape maintenance and contributed landscaping services. There was discussion about spring cleanup and the savings because Republic Services now provides the service through their franchise agreement.

City Council – Ms. Swanson explained the types of expenses included in this department, including city attorney retainer, bus operations, social service agency contributions, and the flower basket program. There was discussion about decreases in bus ridership and the demographics of the riders.

Transfers – Ms. Swanson reviewed the proposed transfers from the General Fund for equipment and buildings.

Wrap-up – There was discussion about options related to the proposal General Fund fee. Ms. Swanson recommended addition of a fourth meeting to the Committee's calendar. It was agreed to add a meeting on May 11 at 7:00 p.m.

6. **ADJOURNMENT:**

There being no further business to come before the Budget Committee, Chair Boss adjourned the meeting at 9:29 p.m.

SIGNED:
Robert Boss, Chair

ATTEST:
Ruth Post, MMC, City Recorder