



AGENDA PHILOMATH BUDGET COMMITTEE

April 29, 2020

6:00 PM

Council Chambers; Philomath City Hall

1. ROLL CALL
2. APPROVAL of MINUTES - April 15, 2020
3. VISITORS/PUBLIC COMMENTS
4. PUBLIC HEARING
Possible uses of State Revenue Sharing
5. REVIEW PUBLIC WORKS BUDGET
7. ADJOURN

Meeting Access Information

This meeting is being held via video conference. Citizens should use the video link or phone number provided below to listen to the meeting. For residents that do not have a phone or access to the internet, a small number of chairs will be provided at City Hall to comply with public meetings laws and social distancing requirements.

Please use the following link or phone number to access the meeting:

Video: <https://zoom.us/j/2065507670?pwd=eTJqL3Nubk83ODJKTy9LdUQvYXg5Zz09>

Phone: 312-626-6799

Meeting ID: 206 550 7670

Password: Philomath

Meeting Conduct

All non-city participant microphones and screens will be muted. Presenters and members of the public will only be unmuted if called on to speak. The chat function will be disabled during the meeting.

Opportunities to Comment

The following options are available for the public to provide comment:

- 1) Sign up by contacting the City Recorder at ruth.post@philomathoregon.gov or by calling 541-929-6148 no later than 4:00 p.m. on the day of the meeting.
- 2) Submit written comments by email to the City Recorder at ruth.post@philomathoregon.gov no later than 12:00 p.m. the day of the meeting.
- 3) Submit written comments in the City Hall parking lot drop box no later than 12:00 p.m. the day of the meeting.
- 4) Mail written comments to PO Box 400, Philomath, OR 97370 3-4 days prior to the day of the meeting.

NOTICE: Given 2 business days' notice, an interpreter will be made available for the hearing impaired or those with limited English proficiency. Contact person: Ruth Post, (541) 929-6148.

**CITY OF PHILOMATH
BUDGET COMMITTEE
MINUTES
April 15, 2020**

The Budget Committee of the City of Philomath was called to order by Noelle Cummings on Wednesday, April 15, 2020, at 6:30 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 Eric Niemann, City Councilors Ruth Causey, Doug Edmonds, Chas Jones, Matt Lehman, David Low, and Matthew Thomas.

Citizen Members: Catherine Biscoe, Margie Brown, Julie Conner, Noelle Cummings, Robert Glathar, Chris Kastella, and Brian Noakes.

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:

2. ELECTION OF CHAIR

MOTION: Mayor Niemann moved, Councilor Edmonds second, to appoint Noelle Cummings as 2020 Philomath Budget Committee Chair. Motion APPROVED 14-0 (Yes: Biscoe, Brown, Causey, Conner, Cummings, Edmonds, Glathar, Jones, Kastella, Lehman, Low, Niemann, Noakes, and Thomas. No: None).

3. MINUTES

MOTION: Councilor Low moved, Councilor Edmonds second to approve the minutes of May 15, 2019 as presented. Motion seconded and APPROVED 14-0 (Yes: Biscoe, Brown, Causey, Conner, Cummings, Edmonds, Glathar, Jones, Kastella, Lehman, Low, Niemann, Noakes, and Thomas. No: None).

4. VISITORS/PUBLIC COMMENTS

Catherine Biscoe – Ms. Biscoe read her letter into the record regarding concerns of the impact of COVID-19 on the community and the budget (Supplemental Agenda Item 4.01). She requested that the budget take a conservative approach.

5. BUDGET MESSAGE

Mr. Workman provided the budget message as included in the proposed budget document.

1 **6. REVIEW GENERAL FUND BUDGET**

2
3 General Fund Revenues – Ms. Swanson reviewed the General Fund revenues, including
4 cash balance forward being higher than previously expected due to both increased
5 property tax growth and reduced expenditures in the current year. She reviewed
6 estimated property tax revenues which are up due to growth and state shared revenues
7 also being up because they are based on population and that has also gone up. She
8 reported that the good forecast has resulted in the City Council approving a reduction of
9 the General Fund Fee down to \$5 effective July 1. Ms. Swanson reviewed the forecast
10 for building permit fees which are estimated to be down next year, although construction
11 is still going strong. She noted total General Fund revenues are estimated at \$4.4 million
12 for the budget period.

13
14 Ms. Swanson reviewed the transfers in the budget, including finally being able to set
15 money aside for building improvements; the contingency allocation and the ending fund
16 balance. She discussed the goal for the ending fund balance in meeting the financial
17 needs until property taxes are received in November.

18
19 Councilor Causey questioned the waiver of the bus fares due to COVID-19 and whether
20 that revenue line should be reduced. Ms. Swanson explained that the new budget
21 begins in July and recommends leaving it as is but added that if the economy doesn't
22 recover, action may need to be taken at the appropriate time. She described the benefit
23 of property taxes being more stable than sales or lodging tax reliant cities in a situation
24 such as this. There was discussion about the status of the budget when the November
25 property taxes are received.

26
27 Councilor Lehman questioned the impact if revenue is underestimated. There was
28 discussion about staying the course on this budget and taking that into consideration on
29 the next budget because revenue that is not allocated cannot be spent. There was also
30 discussion about the impact if people fall behind on payment of their mortgages and the
31 escrow funds to pay property taxes that are frequently collected at the same time.

32
33 Administration/Planning Department

34 Mr. Workman reviewed the staffing and functions performed in the
35 Administration/Planning Department, with not much change from last year to this year.
36 He noted the PERS Side Account funds that were allocated last year and that most
37 departments will have a reduction because that was in last year's budget.

38
39 Councilor Causey had question about decreases in line items such as workers'
40 compensation, PERS and planning expenses. Mr. Workman addressed planning activity
41 levels impacting the planning expense. Ms. Swanson summarized the recently approved
42 new three-year union contracts and the negotiations that occurred pre-COVID-19. She
43 also noted the minimal increases in health insurance and the benefits comparison to
44 comparable cities that was completed. After the deposit into the PERS Side Account,
45 Ms. Swanson explained that the recalculation of the City's PERS rate resulted in an
46 overall 5% reduction.

47
48 There was discussion about the use of City County Insurance for workers' compensation
49 coverage, including the method of rate calculation, the City's good claims history, safe
50 work practices, and the impact one bad accident can have.

1 There was discussion about salary increases included in the budget but that the city
2 manager and department head salaries will have no raises until the COVID-19 situation
3 indicates a review of that status is appropriate. Mr. Workman addressed this action as
4 appropriate based on the impact to the local economy and not because of any budget
5 indications.

6
7 Building Permits Department

8 Mr. Workman described the estimates based on development potential in the upcoming
9 year. Councilor Causey questioned a reduction in the part-time clerk allocation. Ms.
10 Swanson explained the fine-tuning process in budgeting with this being the second year
11 for that position and having a better indication of actual hours to be worked. She added
12 that her approach to budgeting is conservative and cited the Lepman project as an
13 example of a variable that could impact the building permits budget.

14
15 Finance Department

16 Ms. Swanson explained that the recording fees have seen an increase due to
17 developments deferring system development charges that must be recorded against the
18 property but also noted that the developer pays those fees and they are reflected in the
19 revenue line.

20
21 Municipal Court Department

22 Ms. Swanson described the effect of police department personnel changes impacting
23 the number of citations coming to the court.

24
25 Police Department

26 Chief Rueben reviewed the impact of the new 9-1-1 Service District and the fixed fees
27 associated with much of the budget, such as equipment replacement, training and
28 records retention. He described the new report writing program in partnership with other
29 local agencies and noted that the department is fully staffed for the first time since 2018.

30
31 Councilor Causey questioned the tires line item increase. Chief Rueben explained this
32 was a case of creating a line item to better identify specific expenses. Councilor
33 Edmonds supported the expenses associated with accreditation. Ms. Conner questioned
34 the decrease in custodial expense. Chief Rueben explained the re-assignment of those
35 duties to the custodian whose expenses are paid out of a different department. He
36 expressed appreciation for the extra efforts of Shelley Bartlow in taking extra steps to
37 reduce officer exposure during the COVID-19 situation.

38
39 Councilor Jones questioned if comparable cities spend 47% of their general fund budget
40 on police services. There was discussion about the cost of police departments
41 comparative to other cities of similar size and the level of service the community
42 expects. Mr. Workman noted it is comparable and Mr. Noakes stated his research a
43 couple of years ago indicated 50% was an average.

44
45 Chair Cummings requested a review of the purposes for the Youth Services line item.
46 Chief Rueben explained the types of donation requests, Safety Town expenses, and
47 publications paid for out of that line item. Chair Cummings noted it is a small line item
48 but pays for good things.

49
50 Councilor Low described his research into the costs for the department and that the
51 community gets a good return on the investment, including low crime rates, relationships

1 with other area law enforcement agencies and as a resource for the schools. Mayor
2 Niemann noted that Philomath is comparable to the 2.5 officers per thousand population
3 metric and is a 24/7 operation, unlike other City departments.
4

5 Buildings & Grounds

6 Mr. Fear summarized the expenses in this fund keep buildings in good repair and there
7 are no major projects expected for this department this year.
8

9 Parks

10 Councilor Edmonds questioned if the addition of two new parks is going to affect the
11 level of services. Mr. Fear summarized increases in utility expenses and the addition of
12 two new parks but explained they are looking at opportunities to increase efficiencies.
13 Mayor Niemann described the progress on the Cochran Park. Mr. Fear stated they are
14 looking at ways to free up hours and use part time hours to allocate to parks.
15

16 City Council

17 Ms. Swanson noted that the City will be the beneficiary of federal COVID CARE funds
18 that will result in additional funds to operate the bus service. The CARE Act funds will
19 cover the City's 50% contribution towards the bus expense as long as the emergency
20 situation exists. Ms. Swanson reviewed the special services included in the City Council
21 budget. Mr. Workman summarized the grant funds contributing towards the expense of
22 the Comprehensive Plan update and described progress on that project.
23

24 Ms. Swanson reviewed changes this year in the process for allocating contributions to
25 local social service agencies and changes to the network IT services provider. There
26 was discussion about the proposal, review and selection of a provider and that there
27 may be additional technology updates necessary. Ms. Swanson stated this was a line
28 item that will be more fine-tuned in next year's budget.
29

30 Ms. Kastella questioned where expenses are allocated for Music in the Park, and Ms.
31 Swanson explained there are no direct expenses for that program. Mr. Workman
32 described the efforts by Public Works to make sure the park area at the gazebo looks
33 good for both Music in the Park and other events but there are no direct expenses
34 associated with putting that program on.
35

36 Chair Cummings questioned what the Mid-Valley Partnership line item is for. Mr.
37 Workman explained this is a regional economic development consortium of eight mid-
38 valley cities. He described the grant funding that created the entrepreneurial catalyst
39 effort and the line item is for the City's portion of any matching funds needed for any
40 grants that the consortium would apply for. He explained that a grant application to
41 USDA was submitted today for that program.
42

43 Councilor Edmonds returned to the IT Services discussion, describing the research he
44 had conducted on the company that was chosen and his concern about exposure to
45 ransomware attacks. He stated support for the company the City has contracted with.
46 Ms. Swanson discussed the importance of security for the City's technology systems.
47

48 Mayor Niemann thanked Ms. Swanson, Mr. Workman and all of the departments for the
49 efforts to put the budget together. Ms. Swanson and Mr. Workman invited any questions
50 regarding the budget to be directed to them or the appropriate department head in
51 advance of the next meeting in two weeks.

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8. ADJOURNMENT:
Chair Cummings adjourned the meeting at 8:04 p.m.

SIGNED: Noelle Cummings, 2020 Chair

ATTEST: Ruth Post, MMC, City Recorder

DRAFT