

## **FINANCE & ADMINISTRATION COMMITTEE**

### **Minutes**

July 22, 2020

Chair David Low called the meeting to order at 3:00 p.m. Due to the COVID-19 pandemic state of emergency, members of the Committee and staff attended by videoconference. The public was also provided with log-in instructions to listen and observe the meeting electronically.

#### **ROLL CALL:**

Committee: City Councilors Matt Lehman, Chas Jones and David Low.

Staff: City Manager Chris Workman, Finance Director Joan Swanson, and City Recorder Ruth Post.

#### **APPROVAL OF MINUTES**

**2.1 June 16, 2020 Minutes** - Councilor Lehman moved, Councilor Jones second, to approve the June 16, 2020 minutes as presented. Motion APPROVED 3-0 (Yes: Jones, Lehman and Low; No: None).

#### **NEW BUSINESS**

**3.1 Irrigation rate designation request for Skirvin Park** - Mr. Workman directed the Committee to the memorandum in the agenda packet. He reviewed the history of the irrigation rate for City and school fields that was established approximately 20 years ago. He addressed questions that were raised at the July 13 Council meeting. There was discussion about possible policy issues that the Committee could address, including calculation of the per unit rate. Ms. Swanson discussed variables in calculating the cost basis for a unit of water. Mr. Workman reviewed the number of City and school water meters with the irrigation rate assigned and the impact any rate change would have on the City's General Fund and School District budgets. There was discussion about the relationship between the City and School District and recent projects that have involved cooperation between the two.

There was continuing discussion about the irrigation rate and possible scenarios involved in a rate change. Mr. Workman described the field facilities that the School District provides and makes available to the public and the field needs that PYAC has. There was discussion about the irrigation rate being limited to the summer months and the distinction of the other meters that serve inside facilities. There was discussion about the potential impact of reduced usage by the School District if in-person school is unable to happen this fall.

There was discussion about the options for determining a rate. Ms. Swanson reminded the Committee that the specific ask was for the irrigation rate assignment to the Frolic Association at Skirvin Park. There was discussion about the historical amount of usage by the Frolic and anticipated reduction now that the caretaker dwelling is being removed, irrigation reduced and a leak being resolved.

There was discussion about the agreement between the Frolic and PYAC with regard to the water usage and future potential usage by the Frolic. Councilor Jones had concerns about the decision-making process not correlating with the Strategic Plan and potential additional asks by other organizations. Mr. Workman identified the benefits of PYAC in providing youth sports to Philomath and relieving the City of needing to provide those types of park and recreation services.

Councilor Lehman recommended installation of a separate water meter to service the ball fields or establish a usage cap to define that the irrigation rate is specifically for the PYAC usage. Councilor Low questioned the endorsement of PYAC over other non-profit agencies. There was discussion about the value of PYAC and savings to the City in recreation costs.

There was discussion about the amount of usage by the School District. Ms. Swanson recommended evaluating the irrigation rate when the other utility rates are reviewed early next year. Mr. Workman posed different models for providing funding to organizations like the School District, PYAC and Frolic for services provided to the community and to address transparency issues. There was discussion about transparency and fees. There was discussion about the rate schedules that are reviewed annually.

There was discussion about impacts on the revenues if the irrigation rate changes. Councilor Lehman described the importance of the irrigation rate being assigned to only appropriate meters to ensure transparency. There was discussion about the ability of the public to access the PYAC fields when they're not otherwise being used. Mr. Workman described the investment that the PYAC Board is considering for the two new fields at Skirvin Park.

There was discussion about parking at Skirvin Park and the orientation of the fields to allow parking on the outfields during the Frolic in July.

Councilor Low recapped the overall conversation, including the installation of a dedicated irrigation meter at the ball fields and future analysis of the irrigation rate.

Councilor Jones suggested charging PYAC a new higher rate and felt there was too much advocacy on the part of staff. Mr. Workman agreed he was advocating for PYAC and noted the reasons why he was advocating for PYAC and other local organizations. There was discussion about the process of reviewing issues and answering Council's questions. Councilor Low suggested considering tying the Strategic Plan into the discussion about support for the School District and PYAC. Mr. Workman described a greater conversation to be held with the District about community services.

Mr. Workman agreed that he would make adjustments to the resolution based on the Committee's feedback to bring back to the Council. There was discussion about adding a cap to the monthly usage allowed. It was agreed to put a 1,000 units per month cap into the resolution.

**3.2 Annual independent auditor for FY 2019-2020** - Ms. Swanson reviewed the impact of COVID-19 on audit services and the limited firms qualified and available to perform the audit. She reviewed the history of previously working with Grove, Mueller, Swank and the recommendation to retain them for the 2019-2020 audit. She reviewed the timeline for closing the books and completing the audit.

There was discussion about a multi-year contract and about the impact COVID-19 will have on performing the audit. There was discussion about the estimate range the firm provided and determination of the final cost. There was discussion about the savings to the City because of Ms. Swanson's ability to prepare the year-end financial documents because she is a licensed CPA and that a future finance director might not have those skills.

**MOTION:** Councilor Jones moved, Councilor Lehman second, to approve retaining Grove, Mueller & Swank to perform the independent audit this year. Motion APPROVED 3-0 (Yes: Jones, Lehman and Low; No: None).

Councilor Low requested the Transient Lodging Tax and City Manager's evaluation format be discussed at the next Finance & Administration Committee meeting. It was agreed to set an August meeting date.

Meeting adjourned 4:34 p.m.

Meeting recorded by Ruth Post, MMC, City Recorder