

**FINANCE/ADMINISTRATION COMMITTEE
MINUTES**

October 8, 2015

Meeting called to order on October 8, 2015, at 3:00 p.m. in the Philomath City Council Chambers by Chair Jason Leonard.

1. ROLL CALL

Present: Councilors Jason Leonard, Charla Koeppel and Angie Baca.

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

Guests: Derek Godwin and Maggie Livesay, OSU Extension Service

2. MINUTES

2.1 Minutes of May 14, 2015

MOTION: Councilor Baca moved, Councilor Koeppel second, to approve the minutes of May 14, 2015, as presented. Motion APPROVED 3-0.

3. NEW BUSINESS

3.1 Resolution approving Benton County order to initiate formation of Benton County Extension and 4-H Service District – Mr. Godwin presented a history of the OSU Extension. He explained that, in the past, federal money provided major funding for their services; but those funds have gone away. This has led to major staffing cutbacks over the past 10 to 15 years and a major reliance on county funding. He stated that 24 of the 36 Oregon counties now have special service districts such as the one the Benton County Commissioners are considering authorizing for the May 2016 election. He reviewed the steps in the process, including formation of a task force, obtaining opt-in resolutions from the five incorporated cities, and public hearings to be held by the County Commissioners.

Ms. Livesay explained the impact of a city opting out of participating in the special service district, particularly that citizens of that city would pay a higher fee for participating in extension services. She gave an example of the \$25 standard fee for 4-H as one that would be higher for a citizen of a city that did not opt to participate in the special service district.

Mr. Godwin summarized the compression analysis that was provided and explained that the estimated effect on the city of Philomath property tax receipts would be a reduction of approximately \$2,783.

Ms. Swanson questioned if the other four cities, Corvallis, North Albany, Adair Village and Monroe, have considered the resolution yet. Mr. Godwin stated that, generally speaking, there is good support from the cities for programs such as 4-H. They met with Jim Minard from the city of Monroe yesterday and he appeared to be supportive. Mr. Godwin explained that the cities primarily want an explanation of the services provided and how it benefits their citizens. He stated that North Albany is somewhat unique because the majority of Albany is in Linn County, which already has an extension special service district. He stated that if Corvallis were to decide to opt out, the county commissioners would likely decide not to move forward with the district.

Ms. Livesay distributed the 2013 Community Report, copies of the *Extension Express* newsletter, and an updated information sheet regarding services for Philomath. She reviewed the data on the information sheet.

Councilor Leonard questioned what the timeline was for the district proposal. Mr. Godwin stated that they are targeting placement on the May 2016 ballot and would like to get through the opt-in resolution process by November. The Commissioners would then hold public hearings in January. Mr. Workman stated that, if the Committee moved the resolution to the City Council, it would be on the November 9 agenda.

Mr. Workman summarized the Committee's options regarding the resolution. There was discussion about the impact on the City's property tax revenues because of compression and weighing that against the benefit of the services to citizens.

(Mr. Godwin and Ms. Livesay left at 3:26 p.m.)

Ms. Swanson reviewed the impact of an additional levy for OSU Extension and that there would be additional impact if the City went out to the citizens and received approval for a bond levy. There was discussion about the difference between statistics referencing Philomath versus the surrounding Philomath area and the specific benefit to Philomath city taxpayers.

There was discussion about the timing of the resolution request and tabling the request until more information is learned about the other cities' decisions. There was also discussion about potentially forwarding to the City Council without any recommendation. Mr. Workman stated he would reach out to the Corvallis and Albany City Managers for additional information. Councilor Baca stated concerns about the impact of additional taxes on fixed income residents. Ms. Swanson stated that, for the first time in several years, there are new development projects happening in Philomath that could potentially overcome the effect of compression on the City's property tax revenues.

MOTION: Councilor Baca moved, Councilor Koepp second, to table the resolution until a to be scheduled subsequent meeting. Motion APPROVED 3-0.

4. ADJOURNMENT

Meeting adjourned at 3:47 p.m.

Recorded by: Ruth Post, City Recorder