

**FINANCE/ADMINISTRATION COMMITTEE
MINUTES**

October 28, 2015

Meeting called to order on October 18, 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; and Joan Swanson, Finance Director.
Guests: Derek Godwin and Maggie Livesay, OSU Extension Service; Anne Schuster, Benton County Commissioner; and Dennis Aloia, Benton County Administrator.

2. MINUTES

2.1 Minutes of October 8, 2015

MOTION: Councilor Koeppel moved, Councilor Baca second, to approve the minutes of October 8, 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. Workman provided a brief recap from the October 8 Committee meeting regarding this request and made introductions. There was discussion that the Benton County Board of Commissioners would serve as the governing Board of a new Extension District and the tax rate would be 8 cents per \$1,000 of assessed value to generate \$600,000 in revenue per biennium.

Mr. Aloia explained that the previous year's budget for Extension has been \$700,000/biennium and this year it was more. He stated that the County also picks up rent, administration and other costs equivalent to \$100,000 to \$125,000 per year. This contribution would continue with the formation of a special district but \$275,000 to \$300,000 per year would be freed up in the County's budget. He explained that the benefit to Extension is a more stable funding base and that 24 of 36 Oregon counties now have districts. Mr. Aloia described the focus areas where monies would be spent.

Councilor Leonard questioned when the proposed district would take effect. Mr. Godwin stated it would be July 2016. There was discussion about the cost for 4-H participation currently being \$25 per child but that, without participation in the special district, that cost would rise to a prohibitive \$200 per child.

Mr. Aloia clarified that the Philomath City Council is not being asked to endorse or support the district but is, instead, being asked to allow Philomath voters to have a say in voting on it. He stated that if Corvallis decides to opt out of participation, then the County will not continue to pursue formation of the special district.

Mr. Workman explained that the effect of passage of the requested resolution would make the City of Philomath a participant in a district if approved by the voters. He went on to explain that if the Council does not approve the resolution, Philomath voters would not vote on creation of the district and, if passed, would not contribute to the district. The result would be Philomath users paying the higher participation fees for Extension activities.

There was discussion about the effects of compression on the tax base. Mr. Workman pointed out that the County's analysis does not take into account the Philomath Urban Renewal District. Mr. Aloia stated it was fair to have concerns about compression but noted that, from here on out, everyone was going to be in this position of requesting funding and it's up to citizens to decide what they want government to be or not be.

Councilor Baca expressed concerns about citizens on fixed incomes being faced with additional property taxes.

Ms. Schuster explained that Mr. Godwin is responsible for Extension in five counties and Benton would be the last to approve a special district. Ms. Livesay described how thin services are being stretched. Mr. Aloia explained that OSU provides faculty for programs while Benton County's money goes to pay for support services. If Benton County doesn't provide the money for those support services, then the faculty have to relocate to a county where then can get the support.

(Mr. Aloia, Mr. Godwin, Ms. Schuster and Ms. Livesay departed at 3:36 p.m.)

There was discussion about moving this to the City Council and the voters. The Committee requested that Mr. Aloia and Mr. Godwin be invited to make their presentation at the Council November 9 City Council meeting.

Ms. Swanson reminded the Committee that the City has its own needs and projects to consider that could result in going to the voters in the near future. She explained that Philomath has always been reluctant to ask voters for additional funding unless it was really important. There were concerns about voters feeling inundated with additional funding requests and becoming negative to everything put before them. Ms. Swanson added that there may also be a funding request coming for operation of the 9-1-1 Center.

Mr. Workman stated that voters are still recovering from the recession and, if they were reluctant to approve requests before, they are more so now. He felt the City Council has a responsibility to ensure that requests going to Philomath voters go through the necessary steps to determine if it's in the best interest of the community.

There was discussion about the timing of the Philomath City Council's decision to either sign the resolution or not and that Corvallis may have made their decision by then. Councilor Koeppe recommended putting it on the agenda and, if Corvallis doesn't approve it, pull it off of our agenda. Staff was directed to put it on the November 9 agenda with no recommendation by the Committee.

4. ADJOURNMENT

Meeting adjourned at 3:50 p.m.

Recorded by: Ruth Post, City Recorder