



BUDGET COMMITTEE MEETING

Monday, April 28, 2025 at 6:00 PM
Sandy City Hall and via Zoom

MINUTES

ROLL CALL

PRESENT

Chair Linda Malone
Kathleen Walker
Don Hokanson
Chris Mayton
Rich Sheldon
Kristina Ramseyer
Lindy Hanley
Jeremy Pietzold
Darren Wegener
Jan Lee
Art O'Leary
Carl Exner
Amelia Page

ABSENT

Laurie Smallwood

ELECTION OF CHAIR

Kathleen Walker nominated Linda Malone to serve as Budget Committee Chair

Jan Lee nominated Carl Exner to serve as Budget Committee Chair

Upon a vote of the Committee, Linda Malone was elected as Budget Committee Chair

PUBLIC COMMENT (3-minute limit)

(none)

NEW BUSINESS

1. Biennium 2025-2027 Proposed Budget

Budget Message

The City Manager delivered the Budget Message. The message was included in the Proposed Budget document in the meeting packet.

Committee discussion ensued on the following issues:

- History of receiving the distinguished budget award
- Creation of an abatement fund
- Funds set aside for asset replacement
- New community service officer for code enforcement
- Reinvestment in utility infrastructure
- Investment in parks
- Effort to support creation of a parks district
- Financial sustainability of the splash pad
- Budget reserves and fund balances
- Sustainability of the Police Fund and considerations around the Public Safety Fee
- Overview of changes in FTE
- Financial trends and assumptions including inflation, property values, the current development moratorium, debt service for loans, concern about decreasing beginning fund balances, and the need to identify strategies to strengthen fund stability moving forward

Proposed Budget Review

The points below summarize Budget Committee discussion pertaining to each listed division within the General Fund:

General Revenue

- Overview of property taxes projections and transient lodging tax increase
- Discussion of transient lodging tax revenue from short term rentals and the Council's recent new ordinance
- Note of large transfer of general revenue to the Police Fund
- Details of the Aquatic Fund and remaining activities at the Community Campus

Indirect Service Cost Allocation

- Cost allocation for legal services across departments in terms of equity and changes compared to the previous budget
- Calculation of facilities maintenance costs; discussion of facility costs for the Parks and Trails Fund
- Questions about SDCs for Parks
- Clarification on the allocation for the Non-Departmental Fund

Non-Departmental

- Overview of funds set aside for abatement; discussion of abatement activities and estimated costs
- Overview of funds set aside for future vehicle procurement; intention to house vehicle set asides in this fund, with transfers back to operating funds at the time of vehicle purchases
- Suggestion to implement a depreciation schedule
- Discussion on the estimated number of vehicles the City requires in a typical year
- Discussion of each department's contingency, relative to the contingency of 5% of operating funds housed in Non-Departmental
- Distinctions between contractual services and professional services

Administration

- Discussion of the new proposed communications staff members
- Note that Human Resources is now its own separate fund
- Discussion of computer costs and the need for ongoing replacement
- Discussion on FTE allocation changes over time

Legal

- Note that unused funds would roll over into the next budget
- Note that funding for the City's contract with CIS is housed in Non-Departmental

Finance

- Discussion on the proposed new accountant position
- Discussion on FTE allocation changes over time
- Clarification on indirect services allocation, and that providers of indirect services do not pay into the model

Human Resources

- Discussion on practices for budgeting for health insurance benefits

Information Technology

- Note of the \$75,000 designated for asset replacement, and that staff are working on developing a better asset replacement schedule
- Clarification on the items comprising the contractual services line
- Discussion on projected costs for computer replacement, which will be smoothed out with a new asset replacement model
- Discussion on the City's cyber security needs

Facilities Maintenance

- Discussion of new facilities staff

- Discussion of the internal service contingency target of 2%
- Concerns about whether enough staffing exists, and whether some functions should be contracted out
- Note that supplies are paid for by the applicable department
- Note of the \$50,000 designated for tree abatement

Mayor and Council

- Discussion of Council contingency, and remaining funds in the current budget
- Suggestion to offer compensation for Council Members (this was tabled for lack of support)
- Discussion of the need to make improvements to the Council Chambers, which requires a larger facility reinvestment conversation

Municipal Court

- Discussion of staff salary and benefits
- Discussion of the possibility of contracting out judicial services to the county justice court; recognition that the City would only receive half of fine revenue in such an arrangement; discussion of the costs that would be saved by contracting out; suggestion that no longer operating a municipal court would have consequences in terms of code enforcement, convenience for residents, and staff operations
- Discussion of the rationale for not showing fine revenue in the Municipal Court Fund; clarification on the court fees shown in the fund

Sandy Library

- Discussion on the remaining funds needed to upfit the mobile outreach vehicle (bookmobile)
 - Note that the Council provided \$150,000 previously
 - Statement that the Council's expectation had been that the remaining funds for the vehicle would be provided by outside grants
 - Discussion of the need to budget conservatively and display a strategy for funding the vehicle in the event that grants are not secured
 - Clarification on the split of the remaining cost of the vehicle between the Sandy and Hoodland Libraries shown in the proposed budget; note that Library District dollars would be the source of the funds used, rather than City general revenue
 - Discussion about the planned operations of the vehicle and its serving of patrons within city limits versus outside of city limits; emphasis on the importance of ensuring City taxpayers are not asked to pay more than their fair share
 - Discussion pertaining to inequities with the County's allocation of Library District funds to applicable cities
 - Suggestion that the Sandy Library should be self-sufficient, rather than utilizing on City general revenue
 - Suggestion that the budget could instead reflect reliance on only grants to fund the vehicle upfitting, and that staff could approach the Council in the future should additional funds be needed

Hoodland Library

- Discussion of salary costs and staffing levels, and the library's full reliance on district funds
- Note that frugal practices led to a large beginning fund balance

Recreation

- Clarification on revenue from contracted fees, concerts, and event sponsorships
- Praise for performance improvements despite small staff
- Discussion of the cost of fireworks

Senior Services

- Discussion of the increasing need for general revenue in the face of declining government grant funding, and the need to identify long-term sustainability solutions
- Suggestion to explore hiring a grant writer
- Suggestion to analyze the service area and determine whether the City is the best entity to provide these services in the future
- Suggestion to more clearly track who is being served in terms of city residency; note that approximately 65% of meals on wheels recipients reside outside of the city
- Suggestion to explore possible outsourcing opportunities given the cost per meal
- Recognition of the importance of social contact for meals on wheels recipients; praise for the fact that congregant meals are once again possible at the facility

Parks and Trails

- Note of the cameras and mower purchased under the current budget
- Further discussion on projecting staff benefit costs
- Note of the budget being shown for Winterfest activities
- Note of the increased amount of indirect support allocations; discussion of repairs performed by parks staff as opposed to facilities maintenance staff
- Suggestion that not enough is budgeted for parks repairs and maintenance
- Suggestion to engage PGE about sponsorship opportunities
- Discussion on the optics and rationale for no longer charging Parks for water use at the splash pad

Planning

- Discussion regarding the large contingency amount proposed; explanation of the rationale due to possible reductions in permit fee revenue
- Recognition of the difficulty in predicting: the timing of receiving the 190 additional ERUs, the possibility of additional middle housing, additional state legislation related to land use, and the uncertainty regarding alternative treatment systems
- Discussion regarding the City's Housing Production Strategy and timing relative to new OHNA regulations
- Suggestion that urban forestry efforts should be led by a new task force

Building

- Discussion on the proposed budget for contractual services for electronic plan review and the need to supplement current staff capacity
- Clarification regarding salary allocations

The following are ideas that were suggested for amending the proposed budget, to be discussed at a subsequent meeting:

- Suggestion to allocate additional funds for cyber security
- Suggestion to allocate additional funds for upgrades to the Council Chambers
- Suggestion to cut district funds for the library outreach vehicle and to instead budget for funding the vehicle only with grant dollars
- Suggestion to allocate additional funds for parks repairs and maintenance

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