



# BUDGET COMMITTEE MEETING

Monday, May 05, 2025 at 6:00 PM  
Sandy City Hall and via Zoom

## MINUTES

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### ROLL CALL

#### PRESENT

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

### PUBLIC COMMENT

Lynne Freeman: the library is important to her personally, providing access to a computer and the internet; shared an anecdote about her friend who wanted to enter law enforcement and attended youth classes at the library before eventually graduating; also mentioned the ability of the staff to use Narcan if necessary; stated that hours should not be cut

Nicole O'Neill: is a teacher and relies on the library for books and expensive resources; is a library superuser; relies on the library to help engage her children in reading; appreciates the library as a safe place for kids to go; highlighted the importance of reading scores

Heather Michet: suggested that if hours were cut from the library, impacted groups would include middle schoolers needing access to materials for assignments, the writers group, seniors needing access to librarians for help with computers, job applicants, people working on reading skills, and teens who use the maker space

Bethany Shultz: referred to her daughter attending the read to the dog program and building a catapult to launch marshmallows; encouraged investment in the library and the community; stated that the library draws patrons from outside the city who drive economic development;

stated the library is a safe space to connect and collaborate; stated that hours need to be expanded not contracted

Kathleen Draine: provided a chart attached to these minutes regarding library funding contributions per capita outside versus inside city limits, stating that unincorporated residents contribute an outsized share; stated the City would have to provide over \$300,000 more annually to make up the equivalent difference; provided additional points about the value of the City-owned library building and debt service payments; discussed the contribution regarding the mobile library vehicle relative to this funding difference

In response to the public comments, Don Hokanson noted that the general revenue at issue is a very small percentage of the library budget, and that those interested should also speak to the County and encourage additional funding from that source, as the County should be the ultimate guarantor of the library's long term financial sustainability. Kathleen Walker stated that everyone pays the same property tax rate and that the library district funding formula needs revisiting. She stated that diverting district funds for the mobile library vehicle is concerning since those funds could be used for other purposes, and stated that while she supports general revenue for the library, the district really ought to be covering the full cost of the library. After consulting with staff, Chair Malone emphasized that no proposals to cut library hours are being considered at this time.

## **OLD BUSINESS**

### **1. Biennium 2025-2027 Proposed Budget**

#### **Proposed Budget Review**

The points below summarize Budget Committee discussion pertaining to each listed fund:

#### **Economic Development**

- Discussion of the allocation of funds for economic development consultant fees between the Economic Development Fund and the Urban Renewal Fund
- Discussion of the relatively small contingency
- Note that there are many economic development opportunities despite the development moratorium, all of which are important to the community's future
- Vacant storefronts can still be filled, provided sufficient ERUs are available for the property
- The City Council will discuss economic development strategies at the meeting on May 19<sup>th</sup>, along with the Economic Development Advisory Board
- Additional economic development opportunities include Cedar Park, improvements at the Bi-Mart shopping center, wayfinding signage, and development along 362<sup>nd</sup> and Bell
- Discussion of tenant improvement grants outside the urban renewal area
- Discussion of indirect support costs
- Concern that funds are allocated for economic development consulting services are insufficient; note that the City's consultant is available on retainer

- Suggestion to ensure sufficient staff oversight of the contractor
- Emphasis on the importance of jump starting development along 362<sup>nd</sup> / Bell, and that economic development funds everything else that occurs within the city organization and should be the top priority
- Overview of the City's Economic Development Strategic Plan goals, and that implementation of the plan needs to be fully funded; suggestion to retain supplemental specialty economic development services to fully implement the plan
- Discussion related to ERUs available for commercial development, as well as alternative treatment systems

#### Police

- Explanation of the Miscellaneous Revenue line
- Differentiation between the contractual and professional services lines
- Discussion related to the Council contingency funds allocated during the previous budget period
- Clarification regarding the FTE allocation of the new community service officer
- Discussion regarding the proposed \$1 increase to the Public Safety Fee, and whether any additional increase is necessary
- Clarification regarding the school resource officer contract and the cost of benefits
- History and context regarding interfund loans and the previous contract with City of Estacada
- Discussion regarding personnel services projections and upcoming union negotiations
- Discussion regarding staffing levels and daily coverage
- Recognition that the City Council must approve any increase to the Public Safety Fee
- Concern regarding increasing police costs outpacing growth in property tax revenue, and staff intentions to perform a City-wide financial sustainability review

#### Aquatic / Recreation Center

- Suggestion to rename the fund
- Discussion regarding transfers
- Questions regarding opportunities for more efficient lighting
- Concerns about addressing grass and weeds on the property
- Suggestion that SandyNet should pay the cost of utilities, rent, etc for its usage of the facility

#### Parks Capital Projects

- Discussion regarding the grants being sought
- Concern regarding managing risks related to SDC revenue, and the need to budget and manage projects conservatively
- Clarification on the splitting of the fund into separate departments
- Discussion related to SDC revenue collection in the current biennium
- Clarification on fee-in-lieu revenue projections and pending development applications

- Discussion regarding high contingency in the SDC department

#### Full Faith & Credit

- Explanation of the detailed requirements of the City's funding agreement
- Listing of the projects funded by the bond

#### Operations Center Internal Service

- Discussion related to capital improvement plans at the Ops Center; funding being provided by Transit; clarification of allocation of costs across departments
- Clarification on projected utility costs
- Discussion related to maintenance of the property outside the fenced area

#### Asset Replacement Internal Service

- Note that Public Works has its own separate set asides
- Note that actual purchases will occur within applicable funds
- Discussion of the need to continually improve and develop full depreciation schedules in the future
- Concern that non-departmental funds being transferred into this fund masks the true cost of services, such as the cost of police cars; emphasis on the importance of clearly showing costs and ensuring equity and fairness among General Fund departments
- Suggestion to track funds individually by each department; concern that this could make departments feel entitled to the funds they have contributed in the past
- Emphasis on the need for a City-wide asset management policy
- Discussion related to vehicle insurance, as well as repair and maintenance costs
- Suggestion that police vehicles require a different approach compared to other City vehicles due to the nature of their usage
- Discussion related to leasing versus purchasing vehicles

### **APPROVAL OF MINUTES**

2. Approval of Minutes: April 28, 2025

#### **MOTION: Approve the April 28, 2025 minutes**

Motion made by Councilor Sheldon, Seconded by Councilor Ramseyer.

Voting Yea: Councilor Mayton, Council President Hokanson, Budget Committee Member Pietzold, Mayor Walker, Councilor Smallwood, Budget Committee Member Malone, Councilor Sheldon, Councilor Ramseyer, Councilor Hanley, Budget Committee Member Wegener, Budget Committee Member Lee, Budget Committee Member O'Leary, Budget Committee Member Exner, Budget Committee Member Page

**MOTION CARRIED: 14-0**

## **OLD BUSINESS (continued)**

### **Proposed Budget Review (continued)**

The points below summarize Budget Committee discussion pertaining to each listed fund:

#### **Transit**

- Details on changes in the materials and services section
- Discussion on exposure regarding grant funds that may not be secured, and associated effects on service levels
- Suggestion to increase fees for riders who can afford to pay more, and concerns regarding fairness relative to other city services; discussion on benefits of transit for the local workforce
- Concerns regarding homelessness
- Praise for Transit's lack of reliance on general revenue
- Details on proposed staffing additions
- Concerns regarding electric bus infrastructure; discussion regarding retaining diesel backups
- Discussion of SAM's relatively low payroll tax
- Changes in accounting for SAM Rides
- Suggestion to not change fare levels

#### **Streets**

- Recognition of street sweeping being brought in-house
- Discussion on VRF revenue over time
- Discussion of high contingency levels, and efforts to rebuild the fund after the construction of the 362<sup>nd</sup> / Bell extension
- Overview of the street maintenance program, and street maintenance staff duties
- Suggestion to allocate additional funds for street overlay work
- Overview of the approach to enterprise funds generally
- Discussion of the spending level that would be necessary to achieve certain pavement condition index levels
- Suggestion to increase the City's gas tax
- Suggestion that street maintenance is also important to commercial activity

#### **Water**

- Discussion of contingency amounts in operations versus capital
- Note that this budget represents the large majority of the spending for the drinking water reinvestment project
- Discussion of the strategy to increase utility rates gradually to minimize sudden impacts
- Concern about high credit card processing fees

- Discussion of the City's contingency plan to build a filtration plant should the Portland Water Bureau's plant not be constructed
- Discussion of reductions in consumption among customers as utility rates rise, and the need to budget conservatively
- Explanation of the City's water loss reduction program, resulting in reductions in water purchases
- Questions as to why the City does not spend down contingency cash for projects; explanation of loan coverage requirements; recognition of risks and the need for contingency funds; suggestion to add footnotes to the budget explaining these factors
- Discussion of project timing and spending plans for the components of the water projects
- Suggestion to provide a discount for customers paying bills via ACH

#### Wastewater

- Note of lower projected fee revenue due to conservatism around consumption levels
- Discussion of the reductions in peak flows realized at the treatment plant; discussion of the average annual gallons treated
- Discussion of the funds allocated for wastewater contract services
- Note that the \$6 million listed for North Bluff SDCs should instead be shown under Federal Grants

#### Stormwater

- Emphasis on the need to develop a stormwater master plan, to fully assess the state of the stormwater system, and to be prepared for stormwater related emergencies like sinkholes
- Note of the proposed \$1 increase in the stormwater fee
- Discussion related to Cedar Park stormwater repairs that were completed

#### SandyNet

- Note of the \$100,000 allocated for design and engineering for a new SandyNet building
- Note of the proposed \$7 rate increase driving the anticipated increase in revenue
- Discussion related to take rates for residential and commercial sectors
- Suggestion that SandyNet needs to restructure its rates across different user classes
- Discussion related to SandyNet's payment of utilities and share of the bunker building costs, in comparison to what SandyNet would pay for operation of a new facility
- Note of the need to show asset management costs and vehicle set asides for SandyNet
- Discussion on wireless service charges
- Clarification on costs for contractual services
- Discussion related to charges for voice service, and whether rates are appropriate
- Further details on the master plan being developed

### **Suggestions from the Budget Committee**

The following are ideas that were suggested during the May 5<sup>th</sup> meeting for amending the proposed budget, to be discussed at a subsequent meeting:

- Suggestion to allocate additional funds for supplemental economic development consulting services
- Suggestion to allocate additional funds to the General Fund Vehicle Set Aside
- Suggestion to allocate additional funds from the operational contingency of the Street Fund to the Street Maintenance Program

The following points were additional suggestions made by Committee Members during the May 5<sup>th</sup> meeting, not specifically related to reallocation of funds:

- Suggestion for the Budget Committee to make a formal recommendation to the City Council regarding the proposed \$1 increase to the Public Safety Fee
- Suggestion to rename the Aquatic / Recreation Center Fund
- Suggestion to track dollars for individual departments within the General Fund Vehicle Set Aside
- Suggestion to provide a discount for utility customers paying via ACH

For additional reference, the following are ideas that were suggested during the April 28<sup>th</sup> meeting 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

**ADJOURN**