



OFFICIAL MINUTES OF THE TUALATIN BUDGET ADVISORY COMMITTEE MEETING FOR MAY 11, 2020

Present: Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Maria Reyes, Nancy Grimes, Paul Morrison, Rebekah Deal, Robert Kellogg, Cyndy Hillier, Veronica Williams, Valerie Pratt, Monica Gibson

Absent: Monique Beikman

Call to Order

Mayor Bubenik called the meeting to order at 5:01 p.m.

Welcome and Introductions

Elect Committee Chair

Motion to elect Cyndy Hillier as Budget Committee Chair made by Morrison, Seconded by Grimes. Voting Yea: Valli, Brune, Bubenik, Hannam, Reyes, Grimes, Morrison, Deal, Kellogg, Hillier, Williams, Pratt, Gibson
MOTION PASSED

Approval of Minutes

Motion to approve the Budget Committee Meeting Minutes of May 20, 2019 made by Morrison, Seconded by Valli. Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Grimes, Morrison, Deal, Kellogg, Hillier, Williams, Pratt, Gibson
MOTION PASSED

1. Consideration of the Budget Committee Meeting Minutes of May 20, 2019

Meeting Agenda and Materials

1. Deliver Budget Message for Fiscal Year 2020-2021 Budget

Finance Director Don Hudson presented a brief history of the city departments over the past decade. He then presented the Fiscal Year (FY) 2020-21 budget message. Director Hudson spoke to budget layout changes. He stated the proposed budget is \$133,841,320 which is a 1.09% increase over the previous year. Director Hudson spoke to revenue impacts on the budget due to the pandemic. He stated he estimates impacts on the budget through September 30, 2020.

Director Hudson began an overview of revenue funds noting they are the same as last year. He stated Property Tax revenue is the steady revenue source the city has with an anticipated 4% growth this year. He spoke to potential concerns with property tax collection, noting Washington County has a high collection rate and he will continue to monitor the

situation closely. Director Hudson stated there will be a slight decrease in the License and Permits category due to some businesses not reopening. He stated the Franchise Fee category will see a 6.42% decrease mostly due to decreases in commercial and industrial utility usage, partially offset by an increase in residential usage. Director Hudson stated Intergovernmental Revenue will see a 14.46% increase which is made up of different state shared revenues, and contributions for capital projects from Metro and Clean Water Services. He stated the Fees and Charges category is down slightly as there was transitions in projects. Director Hudson stated Charges for Services is down as the city has seen a reduction in water consumption and less passport and finger printing services since city offices are currently closed. He stated the Fines and Forfeitures categories has seen a decrease from less municipal court and library fines. Director Hudson stated the Transfers and Others category is seeing a 3.2% decrease from changes in water projects and the city's interest portfolio.

Director Hudson highlighted changes to city expenditures. He noted overall there is a proposed 4.1% decrease. He stated there is a proposed 7% decrease in Personal Services from savings from the city's PERS Employer Incentive Fund. He stated the city deposited money into a side account to help smooth out rates in future years. Director Hudson stated this account will save the city approximately \$300,000. He stated the Materials and Services category will increase 2.25% due to items outside the city's control including increases in utilities and various contracts. Director Hudson stated Capital Outlay will be increasing 6.4% due to planned projects in the water, sewer, and stormwater division, transportation bond projects, and construction of the Tualatin City Services Building. He stated Debt Services will be increasing slightly as the city begins to pay back loans borrowed for the Tualatin City Services Building.

Director Hudson stated the Tualatin Development Commission established an Economic Stabilization Fund this year that set aside \$250,000 in non-tax increment revenue for a grant program for business impacted by the pandemic. He stated 143 application were received and 54 small business grants were awarded from the fund with an average award amount of \$4,600.

2. Discussion of Fiscal Year 2020-2021 Budget

Director Hudson proceeded with an overview of the Core Area Parking Fund, Development Funds, and the Tualatin Scholarship Fund. He reviewed the Tualatin Development Commission (TDC) funds including the TDC Administration and Leveton Tax Increment District Project funds.

3. Discuss Second Budget Committee Agenda

Director Hudson reviewed the agenda for the upcoming meeting on May 20, 2020.

Adjournment

Chair Hillier adjourned the meeting at 6:09 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary