



OFFICIAL MINUTES OF THE TUALATIN BUDGET ADVISORY COMMITTEE MEETING FOR MAY 08, 2023

Present: Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Maria Reyes, Cyndy Hillier, Valerie Pratt, Christen Sacco, Kelly Horsford, Elizabeth Michels, Octavio Gonzalez, Alyssa Colon, Joseph Tanous

Call to Order

Chair Brittany Valli called the meeting to order at 5:07 p.m.

Welcome and Introductions

Elect Committee Chair

Motion to elect Brittany Valli as Committee Chair made by Hannam, Seconded by Bubenik.
Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Horsford, Michels, Gonzalez, Colon, Tanous
MOTION PASSED

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 31, 2022

Motion to approve the minutes made by Pratt, Seconded by Sacco.
Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Horsford, Michels, Gonzalez, Colon, Tanous
MOTION PASSED

Meeting Agenda and Materials

1. Deliver Budget Message for Fiscal Year 2023-2024 Budget

Finance Director Don Hudson presented a recap of the successes of FY 22-23, including the passage of a \$25 million Parks Bond for financing trails, natural areas, sports fields, parks, and river access. He reported a bond sale of \$15 million was held on April 12, at a premium, resulting in \$17.1 million for projects, with the remaining \$10 million to be sold in 2026. He also provided an update on the Tualatin Moving Forward bond project, the Tualatin Inclusion Diversity Equity and Access (IDEA) committee, Parks and Recreation events, the parks utility fee project funding, and the Climate Action Plan.

Director Hudson then presented the FY 23-24 budget message, noting a 3.55% increase this year with a budget of \$152,837,585. He shared revenue projections, stating overall revenues are stable with a 6% decrease due to anomalies. Director Hudson covered funding for charges for services, including utility rates and the categorization of Clean Water Services' portion as liability rather than city revenues. He discussed intergovernmental revenues, one-time revenues, and increased reimbursement from Clean Water Services for sewer projects, as well as fines and forfeitures revenues.

Director Hudson then spoke to the history and impacts of property tax, stating Tualatin's assessed value is increasing 15.63% due to bond levies. He covered franchise fees, which will see an 8.63% increase due to the implementation of the right-of-way ordinance and fluctuations in electricity and gas costs, as well as the Transfers and Other category, which will see a 23.13% increase due to interest rates and investing the idle funds from the bond sale.

Director Hudson discussed FY 23-24 expenditures, stating there is a 2.78% decrease with a total budget of \$89,747,295. He highlighted transportation bond projects, American Rescue Plan Act (ARPA) projects, parks bond projects, and utility projects in the Capital Outlay category, and a 5.87% increase in personal services due to contractual COLA increase, health benefits, PERS, and the hiring of a Parks Bond Project Manager. Director Hudson noted the effects of the removal of the Clean Water Services fees in the materials and services category, which shows an actual decrease of 0.44%, and mentioned additions such as the city's share of supporting the Police Department's Mental Health Services team, the IDEA committee, the Climate Action Plan implementation stage, a contract lobbyist, and a website redesign.

Councilor Pratt commended the vehicle replacement fund as good stewardship of city funding and asked if the parks department could create a similar fund for replacing items in the park and where funding could come from. Director Hudson stated it would come from the general fund and be held in the parks budget, and parks items are currently funded as one-time funding through the capital improvement plans. City Manager Lombos added that there is no new source of revenue to fund this kind of initiative.

Director Hudson distributed the FY 2023/24 proposed budget.

2. Discussion of Fiscal Year 2023-2024 Budget

Director Hudson presented the proposed budget for the FY 2023/24 period, beginning with an overview of several small funds. These included the Core Area Parking fund, the Tualatin Scholarship fund, the American Rescue Plan fund, the Vehicle Replacement fund, the Tualatin City Services fund, the Development fund, and the Debt Services funds.

Councilor Brook asked if there were any tax rebates available for cities to replace their gas-powered vehicles with electric ones. Director Hudson stated there had only been rebates available for charging stations, not for vehicle replacements. Public Works Director Rachel Sykes added the city has faced difficulties in acquiring electric vehicles in the past year.

3. Discuss Second Budget Committee Meeting Agenda

Director Hudson stated the next meeting will be held on May 30th at 6 p.m.

Adjournment

Chair Valli adjourned the meeting at 6:40 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor