



OFFICIAL MINUTES OF THE TUALATIN BUDGET ADVISORY COMMITTEE MEETING FOR MAY 10, 2021

Present: Bridget Brooks, Brittany Valli, Chris Brune, Christen Sacco, Frank Bubenik, John Hannam, Kelly Horsford, Nancy Grimes, Cyndy Hillier, Rebekah Deal, Veronica Williams, Valerie Pratt, Maria Reyes, Monique Beikman

Call to Order

Assistant City Manager/Finance Director Don Hudson called the meeting to order at 5:02 p.m.

Welcome and Introductions

Elect Committee Chair

Motion to elect Veronica Williams as Chair of the committee made by Bubenik, Seconded by Hannam.

Voting Yea: Brooks, Valli, Brune, Grimes, Deal, Hillier, Williams, Pratt, Horsford, Sacco
MOTION PASSED

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 20, 2020

Motion to approve the Budget Committee Meeting Minutes of May 20, 2020 made by Pratt, Seconded by Grimes.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Grimes, Deal, Hillier, Williams, Pratt, Horsford, Sacco
MOTION PASSED

Meeting Agenda and Materials

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

Finance Director Don Hudson presented a brief recap of events throughout the year including racial and social justice issues, smoke from the fires, and the ice and snow storm. He stated through all the events of the year service delivery remained uninterrupted. Director Hudson spoke to the CARES Act funding the city received and how it was used. He stated the city was able to adapt through COVID and maintain services noting there are still unknowns in the budget as the "new normal" is established.

Director Hudson stated the proposed budget is \$128,341,950 which is a 5.07% decrease over last year's budget. He stated revenues this year are estimated to decrease 3.26%. Property taxes revenues will remain a steady source of income with assessed value growth of an estimated 3%. 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 stay stable. Director Hudson stated intergovernmental revenues will see a decrease of 17.5% largely due to onetime CARES Act funds. He stated the Economic Stabilization Fund issued \$1.1 million in grants that went directly into the hands of local business. Director Hudson spoke to

state shared revenues such as cigarette, gas, liquor, and marijuana taxes which overall show a slight decrease. He stated transient lodging tax revenue was down significantly but the city has budgeted \$100,000 more over last year but not back to pre-pandemic numbers. Director Hudson stated the fees and charges category will increase 36.5% as items are added back into the parks development fund and the addition of the parks utility fee. He stated charges for services will remain the same as projected last year. The fines and forfeitures category is projected to increase as traffic has picked back up again. Director Hudson stated the transfers and others category has the largest decrease this year due to the loan transfer for the City Service Center and the low yields on the investment portfolio.

Director Hudson highlighted changes to city expenditures. He noted overall expenditures total \$68,287,350 which is a proposed 9.33% decrease. Director Hudson stated the largest decrease is in capital outlay of 37.93% that is related to the completion of several projects including the Tualatin City Services Building, the Library Makerspace Classroom, and the Tualatin Commons Splashpad. He stated capital projects for this year will total \$12.7 million and include projects such as the Veteran's Memorial Design, the Stoneridge Park redesign, and Tualatin Moving Forward projects. He stated there is a proposed 4% increase in personal services. The materials and services category will decrease 1.14%. He highlighted police department initiatives for the year including police body cameras, digital forensics, and a partnership with a mental health clinician. Additional city wide initiatives include a Diversity, Equity, and Inclusion consultant and the Climate Action Plan.

Director Hudson spoke to the American Rescue Plan and the direct funding to the City of Tualatin. He stated Tualatin is slated to receive \$5.67 million over the next two years. Director Hudson stated there are several key considerations for this funding including maximizing funds from external agencies, balance between compliance and restrictions, readiness to receive funds, and taking time to think broadly and strategically about the community's needs.

Director Hudson stated the Tualatin Development Commission will see activity this year while it works through the Leveton District Amendment, consideration of the proposed Basalt Creek District, and Study Area 2 visioning.

2. Discussion of Fiscal Year 2020-2021 Budget

Director Hudson stated this year's budget will include performance measures. The measures are simple and meaningful while being outcome vs output based. He proceeded with an overview of the Core Area Parking fund, Tualatin Scholarship fund, Transportation Development Tax fund, park development funds, water development fund, sewer development fund, the stormwater development fund, and the vehicle replacement 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 Meeting Agenda

Director Hudson reviewed the agenda for the upcoming meeting on May 25, 2021.

Adjournment

Chair Williams adjourned the meeting at 6:11 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor