



# CITY OF TUALATIN

## Staff Report

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Sherilyn Lombos, City Manager

**DATE:** May 27, 2025

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**SUBJECT:**  
Climate Action Plan – Implementation Funding

**RECOMMENDATION:**  
Staff is requesting direction to proceed on one or more of the options to fund the Climate Action Plan program implementation.

**EXECUTIVE SUMMARY:**

In October 2024 the City Council adopted a short—term work plan with a number of associated actions, one of which was to conduct an analysis of options for sustainable funding for the climate action program with the outcome of funding for a staff resource/position to oversee and manage the program, and funding for the general program.

Staff contracted with EConorthwest to perform that analysis. The consultant team analyzed a number of options and working with staff narrowed them down to ones that were the most viable. In February EConorthwest presented information to the City Council (see attached memo dated February 13, 2025). Council asked for some additional information on Right-of-Way/Franchise fees, Building Permit fees, and a Utility Fee Round-Up program.

Based on the Council's direction, EConorthwest provided the attached Addendum which includes information about how the City's Right-of-Way fees compare, and how much revenue could be raised by increasing those rates. It also includes an updated estimate of Building Permit fees, and finally, it includes how a "Share the Pennies" program might work in Tualatin.

Staff have recommended the inclusion of a Climate Action Plan Implementation Program Coordinator position in the 25/26 budget, which would be housed out of the City Manager's Office. In addition, there is one-time funding included in the budget to account for needed consultants or other costs associated with moving the Climate Action Plan forward in a meaningful and strategic way in FY 25/26. It is assumed that there will be some level of funding necessary above and beyond the personnel costs of a new position; therefore, staff estimates that the Climate Action Plan implementation needs approximately \$250,000 per year to be fully funded.

At the May 12 Council meeting, the City Council asked the following questions:

- If the City Council raised the franchise fee on the electric franchise by .5% or by .3%, what would that increase look like on an average residential bill?
- How volatile are Building Permit fees?
- How does Tualatin compare to other cities in Building fees?

### Electric Franchise Fee, effect on rates:

Staff has requested the average residential bill from PGE the average residential bill; however, we have not yet received that information. We did; however pull two local residential bills that were available. The first shows the bill for a single-family detached home with a household of three.

Account charges		Public Purpose Charge (1.5%)	2.86
Balance forward	0.00	Amount due 5/12/25	\$204.11
Previous amount due 4/10/25	169.07		
Payments through 4/17/25	169.07 (CR)		
XXXXXXXXXX	204.11		
Energy charges	184.91		
Basic Charge	13.00		
Energy Use Charge (961.000 kWh x \$0.0354)	34.02		
Transmission Charge (961.000 kWh x \$0.00862)	8.28		
Distribution Charge (961.000 kWh x \$0.07014)	67.40		
Power Cost Adjustment (961.000 kWh x \$0.05788)	55.62		
Green Future Choice (701.530000 kWh x \$0.0094)	6.59		
Regulatory charges and credits	15.71		
Other charges and credits	0.03		
Metro Supportive Housing Services Tax Recovery (0.018%)	0.03		
Taxes and fees	3.46		
Low Income Assistance	0.60		

The franchise fee increase would be on the energy charges of \$184.91 (rather than the entire bill). So an increase of .05% (one half of one percent) would increase the bill by \$.92 per month. An increase of .03% would mean a \$.55 increase per month.

The second shows the bill for an attached condominium in Tualatin with a household of one.

Account charges		Public Purpose Charge (1.5%)	1.79
Balance forward	0.00	Amount due 5/15/25	\$127.52
Previous amount due 4/15/25	186.67		
Payments through 4/22/25	186.67 (CR)		
XXXXXXXXXX	127.52		
Energy charges	114.84		
Basic Charge	13.00		
Energy Use Charge (592.000 kWh x \$0.0354)	20.96		
Transmission Charge (592.000 kWh x \$0.00862)	5.10		
Distribution Charge (592.000 kWh x \$0.07014)	41.52		
Power Cost Adjustment (592.000 kWh x \$0.05788)	34.26		
Regulatory charges and credits	10.27		
Other charges and credits	0.02		
Metro Supportive Housing Services Tax Recovery (0.018%)	0.02		
Taxes and fees	2.39		
Low Income Assistance	0.60		

Again, the franchise fee increase would be on the energy charges of \$114.84. So an increase of .05% (one half of one percent) would increase the bill by \$.57 per month. An increase of .03% would mean a \$.34 increase per month.

As a reminder, EConorthwest provided the following chart showing the estimated revenue potential of increases to Tualatin's rates:

SERVICE TYPE	CURRENT RATE	FY 2024 REVENUE	+0.5%	+1.0%	+1.5%
<b>Electric</b>	3.5%	\$1,653,000	\$249,000	\$498,000	\$747,000
<b>Natural Gas</b>	5.0%	\$721,000	\$75,000	\$151,000	\$226,000
<b>Telecommunication</b>	5.0%	\$257,000	\$27,000	\$53,000	\$80,000
<b>Solid Waste</b>	3.0%	\$300,000	\$51,000	\$103,000	\$154,000

### ***Building Permit Fees***

Regarding the volatility of Tualatin's Building Permit Fees, staff ran an analysis of the Actual revenues since 2021. The 2025 Actual numbers are through April 2025. As can be seen, there is not a high degree of volatility in these rates across the years.

GL Account	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2025 Budget	With 5% Surcharge
42231 - Permits - Structural	\$ 237,535	\$ 371,319	\$ 534,190	\$ 421,991	\$ 609,146	\$ 598,500	\$ 628,425
42232 - Permits - Plumbing	\$ 39,503	\$ 83,848	\$ 97,313	\$ 159,562	\$ 148,789	\$ 115,500	\$ 121,275
42234 - Permits - Mechanical	\$ 120,653	\$ 179,673	\$ 215,230	\$ 217,128	\$ 284,461	\$ 173,985	\$ 182,680
42236 - Permits - Manufactured Homes	\$ 1,092	\$ 182	\$ 182	\$ 1,164	\$ 840	\$ 210	\$ 220
42239 - Permits - Excavation & Demo	\$ 1,320	\$ 1,815	\$ 4,980	\$ -	\$ 100	\$ 1,050	\$ 1,100
42251 - Fees - Structural	\$ 144,127	\$ 168,141	\$ 421,463	\$ 440,887	\$ 716,740	\$ 220,500	\$ 231,530
42252 - Fees - Plumbing	\$ 3,986	\$ 20,685	\$ 27,318	\$ 11,296	\$ 7,706	\$ 21,000	\$ 22,050
42254 - Fees - Mechanical	\$ 61,727	\$ 100,973	\$ 131,504	\$ 116,414	\$ 143,971	\$ 115,500	\$ 121,280
42255 - Fees - Fire & Safety	\$ 70,171	\$ 77,284	\$ 188,292	\$ 42,842	\$ 90,101	\$ 105,000	\$ 110,250
42259 - Fees - Miscellaneous	\$ 645	\$ 840	\$ 2,220	\$ 3,750	\$ 6,325	\$ 2,625	\$ 2,760
	<u>\$ 680,760</u>	<u>\$ 1,004,759</u>	<u>\$ 1,622,692</u>	<u>\$ 1,415,035</u>	<u>\$ 2,008,178</u>	<u>\$ 1,353,870</u>	<u>\$ 1,421,570</u>
						Total Increase	<u>\$ 67,700</u>

Regarding comparisons to other jurisdictions, staff is still researching this information and expects to have it for the May 27 discussion.

### **ATTACHMENTS:**

- Climate Funding Analysis for the City of Tualatin (February 13, 2025)
- Climate Funding Analysis for the City of Tualatin: Addendum (April 20, 2025)
- Building Permits & Fees Analysis (Updated)
- Presentation from May 12