



TUALATIN BUDGET ADVISORY COMMITTEE

OFFICIAL MEETING MINUTES
FOR FEBRUARY 09, 2026

PRESENT: Committee Member Valerie Pratt, Committee Member Bridget Brooks, Committee Member Maria Reyes, Committee Member Cyndy Hillier, Committee Member Octavio Gonzalez, Committee Member Christen Sacco, Committee Member Chris Brune, Committee Member John Hannam, Committee Member Elizabeth Michels, Committee Member Mary Dirksen, Committee Member Gerardo Sanchez-Velazquez, Committee Member Daniel Bachhuber, Student Member Teddy Tsaknaridis

ABSENT: Committee Member Frank Bubenik

Call to Order

Chair Micheals called the meeting to order at 5:02 p.m.

Welcome and Introductions

Meeting Agenda and Materials

1. Follow-up from FY 2025-26 Budget Committee Meetings

Parks and Recreation Director Dustin Schull and FCS Consultants Zach Hazel and John Ghilarducci provided an update on the Parks Utility Fee. Finance Director Don Hudson stated the Parks Utility Fee was originally adopted in 2021 and has not been adjusted since its inception. He stated the existing fee is \$5 per month per equivalent dwelling unit. The fee has been used to address deferred parks maintenance and to fund parks capital projects.

Director Hudson stated a Parks Replacement Fund concept was previously forwarded to the Budget Committee by members of the Tualatin Parks Advisory Committee. The Committee requested additional information to develop a data driven fee structure. He stated the City contracted with FCS to complete an analysis. Director Hudson stated the scope of work included development of an asset replacement expenditure plan, identification of bond and utility fee funded assets, and a revenue requirements analysis and fee calculation.

Director Schull reviewed the list of capital projects, including new park amenities with future replacement costs built into the model and major repairs and replacements such as playground replacements, restroom replacements, and sport court resurfacing.

Consultant Hazel presented three rate scenarios, noting all scenarios assume an annual cost inflation rate of 3.3%. He stated Scenario 1 includes a \$5.50 initial monthly rate, Scenario 2 includes a \$6.00 initial monthly rate, and Scenario 3 includes a \$6.50 initial monthly rate. He also provided comparisons to surrounding cities and stated each scenario is consistent with park utility fees in the region.

Director Hudson requested feedback from the Committee regarding the proposed scenarios.

Member Hannam asked whether an inflation factor was included in the proposed costs. Consultant Hazel confirmed the model includes an annual inflation rate.

Member Brooks asked whether facilities are being maintained beyond their useful life. Director Schull stated the Long-Range Facilities Plan is being reviewed and will incorporate it into future updates. He stated once that plan is updated, the funding model can also be updated accordingly.

Member Brooks asked how removing a building would impact the budget. Director Schull stated funding adjustments would be made from the appropriate funds.

Member Michels asked where the rate would be today if an inflation factor had been included when the fee was originally adopted. Consultant Hazel stated the rate would be approximately \$5.88 per month.

Director Hudson stated the Parks Utility Fund would function similarly to the Road Utility Fund in that it is dedicated to specific infrastructure needs.

Member Brune asked questions regarding the presentation graph and stated it was difficult to see funding gaps. Director Schull stated staff developed the project list thoughtfully to reflect realistic replacement needs.

Member Pratt stated the original intent of the fee was to address approximately 30 years of deferred maintenance and expressed concern about repeating that situation. She stated not including an inflation adjustment initially may have been an oversight and supported including one moving forward.

Member Gonzalez asked whether grants could help fund projects and what level of effort would be required to secure them. Director Hudson stated the analysis does not assume grant funding, but noted staff will pursue grant opportunities as they become available. Director Schull stated staff actively seek grants when eligible.

Member Reyes asked for clarification regarding housing numbers used in the analysis. Director Hudson stated the model is based on current housing numbers with a 1% annual growth assumption.

Member Reyes asked whether the Parks Utility Fee is separate from System Development Charges and whether it would be an additional fee. Director Hudson confirmed they are separate fees serving different purposes.

Member Sacco asked what rate level Committee members were comfortable supporting.

Member Dirksen stated she would like to hear public input but would be comfortable with a \$5.50 rate.

Member Brune stated that since there has not been an increase since adoption, a \$6.00 rate would be reasonable.

Member Tsaknaridis asked whether residents would have an opportunity to comment on the proposed fee. Director Hudson stated the proposal would be presented to the City Council, and the public would have an opportunity to provide comments at that time.

Member Brooks reiterated the importance of the fee and asked whether improved efficiency and planning would help address long-term capacity issues.

Member Dirksen asked about fee variance among cities. Consultant Hazel stated Gresham charges an overall service fee, with approximately 5% allocated to parks. Director Schull stated the Parks Utility Fee helps reduce pressure on the General Fund.

Member Micheals asked staff to explain the difference between taxes and fees. Director Hudson stated taxes are based on property value, while fees are charged for a specific service and may be established by Council action.

Member Gonzalez asked about a scenario involving the use of tree planting fees. Director Hudson stated staff would need to evaluate that scenario further.

Member Hannam stated the city is already addressing deferred needs and expressed support for a rate in the \$6.00 range to ensure assets are properly maintained.

Member Sanchez stated many community members are experiencing financial strain and expressed support for selecting the lowest feasible option.

Member Bachhuber expressed concern regarding cumulative tax and rate increases. He asked when water rates would increase. Director Hudson stated water rates are scheduled to increase on July 1st and are projected to increase by approximately 11%.

Director Hudson then presented an update on the Gaps and Needs Project. He stated the City contracted with Merina+Co to conduct a facilitated gaps and needs analysis with City departments. He stated the project began in July 2025 and is currently focused on identifying existing service levels, evaluating desired service levels, and defining performance outputs.

City Manager Sherilyn Lombos stated the current budget process will include more robust discussions regarding departmental requests and service level expectations.

2. Update on FY 2025-26 Budget-to-Date

Finance Director Don Hudson presented an update on Fiscal Year 2025–26. He reviewed operating fund revenue budgets compared to actuals for the current year. Director Hudson stated the General Fund is trending as expected. He noted certain minor variances, including revenue generated when the Police K-9 assists with a federal investigation.. He stated the Road Operating Fund includes Community Development Block Grant revenue. The Water Operating Fund reflects grant funding associated with the InPipe Micro Turbine Project. He stated all other funds are trending similarly to prior years.

Director Hudson reviewed revenue budget to actual comparisons and stated revenues are trending as projected and are expected to remain stable if current conditions continue. He reported General Fund expenditures are also trending as anticipated. Within the operating funds, he noted consultant expenditures related to the LAM expansion project, explaining that some plan review services will be outsourced. He stated overall the organization remains stable and on target.

Member Dirksen asked when contract negotiations are scheduled. Director Hudson stated negotiations with the Tualatin Sergeants bargaining unit will occur this year.

Director Hudson reviewed Fiscal Year 2025–26 highlights. Parks and Recreation Director Dustin Schull highlighted completion of Las Casitas Park and the Juanita Pohl Center meal program. Public Works Director Rachel Sykes reported on completion of the InPipe Micro Turbine Project and stated the city secured grant funding to install seismic valves at all City reservoirs. Community Development Director Aquilla Hurd-Ravich stated the Downtown Revitalization Project was initiated and the City has acquired property in the downtown area for redevelopment. She stated staff anticipates completing the remaining planning work by summer 2027.

Director Hudson provided legislative updates. He stated the Legislature is currently in short session and that 285 bills have been introduced. He stated the City’s lobbyist, Thorn Run Partners, is tracking 50 bills of interest to Tualatin, and the League of Oregon Cities is tracking approximately 160 bills. He highlighted two economic development related bills, Senate Bill 1586, known as the JOBS Act, which modifies tax credits for semiconductor research, and House Bill 4084, the Prosperity Roadmap Package, which relates to small business and trade. He also noted several bills related to Transient Lodging Tax, including House Bill 4134, which increases the state Transient Lodging Tax, and House Bill 4148 and Senate Bill 1562, known as the LOCAL Act, which would provide additional flexibility in the use of Transient Lodging Tax revenues.

Director Hudson reviewed the Fiscal Year 2026–27 budget calendar.

Committee Questions and Comment

Councilor Brooks spoke regarding several of the legislative bills, noting interest in the economic development proposals and the potential impact to local jurisdictions.

Member Pratt asked for clarification regarding the proposed tax credits and tax breaks included in the JOBS Act and how those reductions in revenue would be offset at the state level. Director Hudson explained the tax credits are structured as short term incentives intended to stimulate investment and economic activity, with the expectation that long term economic growth would help offset the initial reduction in revenue.

Adjournment

Chair Michels adjourned the meeting at 6:33 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor