



TUALATIN BUDGET ADVISORY COMMITTEE

OFFICIAL MEETING MINUTES
FOR MAY 28, 2025

PRESENT: Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Maria Reyes, Cyndy Hillier, Valerie Pratt, Christen Sacco, Elizabeth Michels, Alyssa Colon, Joseph Tanous, Mary Dirksen

ABSENT: Octavio Gonzalez

Call to Order

Chair Michels called the meeting to order at 5:32 p.m.

Public Hearing

Assistant Finance Director Matt Warner stated the intent of the public hearing is to receive state shared revenues. He noted this is the first of two public hearings required to receive a portion of the state liquor tax revenue. Director Warner stated the city is estimated to receive \$479,130 in the FY 25/26 budget. The revenue is not restricted and is used for general city operations. He noted cigarette, gas, marijuana, and remaining liquor taxes are not covered in this public hearing.

PUBLIC COMMENT

None.

Department Presentations

Finance Director Don Hudson presented the Internal Services departments, which include seven budgetary divisions across six functional areas. He shared FY 2024–25 highlights, including awarding Outside Agency Grants, launching the city website redesign, completing collective bargaining agreements with AFSCME and TPOA Sergeants, and hiring 50 new employees. In Finance and Municipal Court, highlights included expanding the investment program, upgrading budget software, and launching wedding ceremony services. Legal Services supported updates to the procurement ordinance, amendments to Council Rules, and assisted in Riverfront Park property acquisitions. Information Services implemented new software tools, completed access control and security upgrades at city facilities, and enhanced infrastructure to reduce cybersecurity risks.

Director Hudson reviewed the FY 25–26 budget objectives and financials for each Internal Services department. For the City Council and Administration departments, he noted objectives such as advancing the city's DEI efforts and continuing to improve internal processes. The City Council budget reflects a 21.32% decrease in Personal Services and a 2.27% decrease in Materials and Services, while Administration shows a 15.02% increase in Personal Services. In Finance, objectives include expanding public education on city finances and enhancing transparency and reporting tools. The department is budgeted for a 5.24% increase in Personal Services and a 2.81% increase in Materials and Services. He shared Municipal Court objectives are to improve and evaluate the use of technology in court operations. The court budget includes a 4.05% increase in Personal Services and no change in Materials and Services. Director Hudson stated Legal Services will continue monitoring

legislative changes and supporting city initiatives, with a 6.52% increase in Personal Services and no change in Materials and Services. Information Services plans to improve cybersecurity, enhance customer service, and implement new software tools. Its budget includes a 4.68% increase in Personal Services, a 21.40% increase in Materials and Services, and a 10.26% decrease in Capital Outlay. Director Hudson stated the non-departmental budget supports citywide expenditures as well as contingency and reserves, showing a 4.69% increase in Personal Services, a 2.5% increase in Materials and Services, and a 33.51% decrease in Reserves and Unappropriated funds.

Director Hudson reviewed the city's contingency funds, describing them as a "what if" bucket used to address unanticipated needs in the budget. He explained that contingency levels follow the city's Contingency and Reserve Policy, which sets targets at 15% of total appropriations for the General Fund, 15% of operational requirements for the Building and Utility Funds, and a net balance approach for capital development funds. Any use of contingency funds requires Council approval. Director Hudson clarified the difference between reserves, which are designated for specific purposes and can be spent during the fiscal year with a supplemental budget, and unappropriated fund balances, which are restricted to future fiscal years.

Director Hudson highlighted one-time capital projects in the FY 25–26 budget, including the Police Department roof replacement, fuel tank upgrades, and sports court replacements at Jurgens Park. He also discussed the Gaps and Needs Project, in partnership with Merina+Co, which is evaluating service and staffing gaps across the city and proposing long-term strategies for addressing them.

Director Hudson stated the FY 25–26 total budget is \$165,118,825 million, a 5.37% increase from the prior year. He stated revenues are projected to grow 10.53%, and expenditures will increase by 8.87%. Director Hudson stated the city remains in a strong financial position due to strategic budgeting practices over time.

Member John Hannam asked how the city planned to fund the identified projects in the Water Fund. Director Hudson responded that \$9 million in water projects are being addressed, typically through rate revenues.

Public Comment

Friends of the Tualatin Library President Laura Baker advocated for continued funding for the library, noting that changes in the Washington County funding cycle will impact WCCLS and reduce the number of service hours it supports. She stated that the upcoming levy would only fund 45 service hours per week, while the Tualatin Library currently operates 65 hours, and encouraged the city to fill the funding gap. Director Hudson explained that while WCCLS funding is projected to decrease in the next levy cycle, the current year's budget will remain intact. City Manager Lombos added that staff are closely monitoring the situation and are prepared to evaluate options to maintain services should a funding gap arise in future years. They reiterated that the city values the library as a vital community service and will continue to prioritize its operations.

Council President Pratt asked whether contingency funds could be used to fill a potential funding gap for the library if WCCLS allocations are reduced. City Manager Sherilyn Lombos responded that funding for the library will remain unchanged for the current fiscal year. She noted that any changes related to the next levy cycle would need to be considered in the following year or two.

Director Hudson concluded by reading the submitted public comment expressing support for maintaining full library funding.

Committee Questions and Comment

Director Hudson shared that the “Welcome to Tualatin” document was updated and noted the City Council priorities graphic will also be revised in the adopted budget.

Director Hudson responded to submitted committee member budget questions. He shared regarding charges for services in the Vehicle Replacement Fund and the increase in the category was due to rising utility rates. In response to a question about court fines, he clarified the jump from actuals to projected was the result of resuming in-person enforcement and backlog resolution. On miscellaneous income, he explained it includes one-time or rare items such as grant revenue for an intern. The increase in donations for community services was attributed to the purchase of Honor Bricks at Veterans Plaza.

Director Hudson stated the rise in structural permit revenues was linked to LAM expansion permits. Increases in beginning fund balances for the Road Utility, Park Development, and Sewer Operating Funds were tied to timing differences in project completion.

Member Mary Dirksen asked about utility rate increases. Director Hudson said they are driven by utility master plans and reviewed annually.

Questions about Council line items included why conferences and meetings are increasing to which Director Hudson noted that Council members are traveling again. Benefits insurance variations were explained as the result of an employee opting out.

Director Hudson stated the substantial increase in cell phone costs was due to consolidating phone contracts into the Information Services budget. The jump in R&M Computers stemmed from updated maintenance contracts.

Other questions addressed telephone services in Non-Departmental (desk phones), consultant line increases (due to the Gaps and Needs Analysis), and a small increase in noticing budgets to support enhanced public notice mailings. A drop in salaries and wages in one area was due to staff transitions rather than FTE changes. Regarding the Tualatin Science & Technology Scholarship Fund, Hudson stated the interest earnings were retained to grow the fund’s impact over time.

Parks and Recreation Director Dustin Schull answered questions about unchanged training budgets despite workforce development goals, noting they aim to leverage internal resources. He detailed that increases in consultants and professional services will support site development surveys. Regarding Basalt Creek property signage, he stated signs will be installed as the City finalizes ownership. He also explained the Reverse Frontage Program is only eligible on specific roads.

Public Works Director Rachel Sykes clarified an objective related to LED light conversion, correcting the number to 68. In response to a sewer fund transfer question, Hudson said the \$200,000 increase was to shift funds between capital projects.

Director Hudson spoke on the Tualatin Development Commission’s tax revenue increase, noting this is the first year collecting funds for the CORA district. Consulting costs in the TDC budget were attributed to CORA visioning work.

Additional discussion covered Council priorities and how many FTEs are involved in implementation. Director Hudson emphasized cross-departmental support. For Priority 5 related to seismic valves, Director Sykes confirmed it is part of capital planning. On community engagement in the sidewalk maintenance program, City Manager Sherilyn Lombos said staff will return with an update.

Parks Maintenance Manager Tom Steiger responded to a question on street trees, confirming that an approved species list is used. Director Schull elaborated on an AI-based tool to track attendance and event success. He stated the vendor specializes in working with cities and does not collect personal information. Director Aquilla Hurd-Ravich stated staff are currently scoping the next Comprehensive Plan update.

Consideration of Approval for FY 2025-2026 Budget

Director Hudson presented several proposed amendments to the FY 2025–2026 budget. He stated the first amendment is to carry forward funds for an HVAC unit that will not arrive until the end of the current fiscal year. Additional amendments include carryovers for a grant-funded data backup project, shelving for the library, and trauma-informed care training expenses. Funds are also being carried forward to replace the “Girl with the Ice Cream Cone” statue, which was stolen and will not be replaced before year-end.

Member John Hannam asked whether additional security measures would be implemented to prevent future theft. Parks and Recreation Director Schull stated the statue would be secured differently to deter theft.

Director Hudson added that funds for the Neighborhood Traffic Safety Program also need to be carried forward, and a \$1,500 donation to the Tualatin Science and Technology Scholarship Fund must be added to the budget.

Motion to approve the Fiscal Year 2025 - 2026 City of Tualatin budget, as presented and amended, the property taxes it contains at the rate of \$2.2665 per \$1,000 of assessed value for operating purposes, and the amount of \$5,263,160 for payment of general obligation bond principal and interest made by Hannam, Seconded by Pratt.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Michels, Colon, Tanous, Dirksen

MOTION PASSED

Motion to approve the Fiscal Year 2025 - 2026 Tualatin Development Commission budget, as presented. made by Hannam, Seconded by Pratt.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Michels, Colon, Tanous, Dirksen

MOTION PASSED

Adjournment

The meeting was adjourned at 7:40 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor