



OFFICIAL MINUTES OF THE TUALATIN BUDGET ADVISORY COMMITTEE MEETING FOR MAY 16, 2022

Present: Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Maria Reyes, Nancy Grimes, Cyndy Hillier, Valerie Pratt, Christen Sacco, Kelly Horsford, Elizabeth Michels

Absent: Bridget Brooks, Monique Beikman, Veronica Williams

Call to Order

Finance Director Don Hudson called the meeting to order at 5:52 p.m.

Welcome and Introductions

Elect Committee Chair

Motion to elect Brittany Valli as Chair of the committee made by Bubenik, Seconded by Grimes.
Voting Yea: Valli, Brune, Bubenik, Hannam, Reyes, Grimes, Hillier, Pratt, Sacco, Horsford, Michels

MOTION PASSED

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 25, 2021

Motion to approve the Budget Committee Meeting Minutes of May 25, 2021 made by Valli, Seconded by Grimes.

Voting Yea: Valli, Brune, Bubenik, Hannam, Reyes, Grimes, Hillier, Pratt, Sacco, Horsford, Michels

MOTION PASSED

Meeting Agenda and Materials

1. Deliver Budget Message for Fiscal Year 2022-2023 Budget

Finance Director Don Hudson stated the city is a resilient, adaptable, nimble, flexible, and inclusive place. He presented highlights from the FY 2021/22 budget including the opening of the Tualatin City Services Center, the Library Makerspace, the Tualatin Commons Splash Pad, the Mental Health Response Team launch, completion of the Diversity Equity and Inclusion recommendations, the creation of the Equity Committee Planning group, continued work on the Tualatin Moving Forward bond program, and work on the Climate Action Plan.

Director Hudson stated the proposed budget is \$137,950,405 which is a 0.71% increase over last year's budget. He stated revenues this year are estimated to increase 1.27%. Director Hudson stated charges for services is the city's largest category and is increasing of 7.42%. He noted 2/3 of the category increase is from Clean Water Services. Additional factors in the increase are from recreational programming returning to normal and the vehicle replacement fund being added from the general fund. Director Hudson spoke to

Measure 50 and the effects on property tax revenues. He is estimating assessed value growth at 3.5% this year. Director Hudson stated the licenses and permits category will be increasing 1.22% which is a conservative assumption based on construction activity. He stated intergovernmental revenues will decrease 12.73%, noting one time contributions and grants for Herman Road improvements, the Tualatin River Greenway Trail extension in FY 21-22, and an increased reimbursement from Clean Water Services in FY 22-23. Director Hudson stated Transient Lodging Tax revenues are beginning to increase. He stated Fees and Charges will decrease 10.59% due to payments of SDC's for the Commons on th Tualatin Project budged in FY 21-22 but noted other SDC's will remain stable. Director Hudson stated franchise fees will increase 2%, fines and forfeitures will decrease .4%, and transfers and others will increase 9.5%.

Director Hudson highlighted changes to city expenditures. He noted overall expenditures will be decreasing 16.59%. Director Hudson stated the largest increase is 75.8% in capital outlay that is related to the Veteran's Memorial and the redesign of Stoneridge Park. He stated they will be looking at funding options for those projects including the use of ARPA funds. Director Hudson stated other capital projects slated for this year include a partnership with TTSD for sport fields and LED lighting at Tualatin High School, renovation and safety improvements at Browns Ferry Park boardwalk, Little Woodrose Park, stairs in Victoria Woods, Basalt Creek water line improvements, and sidewalk infill projects. He stated there is a proposed 4.64% increase in personal services, noting PERS rates will remain steady. Director Hudson stated the materials and services category will decrease 4.24%, noting departments have worked diligently to keep costs down. He stated items of note for this year include the continuation of the DEI program, the Community Climate Action Plan, sports court resurface at Jurgens Parks, the Tualatin Library marketing plan, the Tualatin Today e-newsletter redesign, and the Tualatin Community Survey.

Director Hudson stated the Tualatin Development Commission is comprised of the Leveton Tax Increment District and the Southwest Urban Renewal District. He stated staff is exploring a Core Opportunity Reinvestment Area.

2. Discussion of Fiscal Year 2022-2023 Budget

Director Hudson proceeded with an overview of the Core Area Parking fund, Tualatin Scholarship Fund, American Rescue Plan Fund, and the Vehicle Replacement Fund. He spoke to development funds including the Transportation Development Tax Fund, Park Development Fund, Water Development Fund, Sewer Development Fund, and Stormwater Development Fund. Director Hudson spoke to Debt Service Funds including the General Obligation Bond Fund and the Enterprise Bond Fund.

Member Horsford ask if the technology scholarship is the only scholarship in the city. Director Hudson stated the parks and recreation department offers scholarships for their programs.

Mayor Bubenik asked if the bonds will be paid off in 2028. Director Hudson stated they will be paid by that time.

Councilor Pratt asked about the process the city uses to establish the budget. Director Hudson stated the city holds a budget kick-off to give staff direction, then department meetings are held with the Finance Director and City Manager, and discussions from those meetings are used to compare budgets across departments and determine what can be

funded. City Manager Lombos stated there are discussions about the city needs year around and they balance those with the available funds.

3. Discuss Second Budget Committee Meeting Agenda

Director Hudson reviewed the agenda for the upcoming meeting.

Committee Questions and Comment

Adjournment

Chair Valli adjourned the meeting at 7:42 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor