



OFFICIAL MINUTES OF THE TUALATIN BUDGET ADVISORY COMMITTEE MEETING FOR MAY 31, 2022

Present: Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Nancy Grimes, Valerie Pratt, Kelly Horsford, Elizabeth Michels

Absent: Monique Beikman, Maria Reyes, Cyndy Hillier, Veronica Williams, Christen Sacco

Call to Order

Chair Valli called the meeting to order at 6:02 p.m.

Welcome and Introductions

Approval of Minutes

1. Consideration of Minutes of the Budget Advisory Committee Meeting of May 16, 2022

Motion to adopt the minutes of the Budget Advisory Committee meeting of May 16, 2022 made by Pratt, Seconded by Horsford.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Grimes, Pratt, Horsford, Michels

MOTION PASSED

Public Hearing

1. Public Hearing in Accordance with ORS 221.270 Regarding State Shared Revenues

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 in order to receive a portion of the state liquor tax revenue. Director Warner stated the City is estimated to receive \$434,580 in the FY 22/23 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.

Meeting Agenda and Materials

1. Discussion of Fiscal Year 2022-23 Budget

Finance Director Don Hudson addressed various questions posed by committee members via email. He provided responses on a range of topics, including contingencies, reserves, unappropriated funds, fund balances, transfers, transportation fund tax, transportation lodging tax, charges for services in the building fund, interest rate increases, council discounts, vehicle replacement fund, and parks and recreation special programs.

Director Hudson highlighted several common themes in the proposed budget, such as personal services expenditures, expenditures per replacement schedules, software annual maintenance, transfers into Utility Operating Funds, and utility rate revenues. He also provided details on the proposed rate increases for various utility services, which included a 4.25% increase for water as part of the master plan, a 4% increase in sewer from Clean Water Services, a 9% increase in sewer from the city per the master plan, a 4% increase in Stormwater from Clean Water Services, a 4% increase in stormwater from the City, and an increase of 3.901% in the road utility fee. Director Hudson noted the total overall impact of these rate increases would be \$4.85 per month for utility customers.

Director Warner provided an overview of revenues and discussed estimated growth for assessed value, which is projected to be 3.5% this year. He also spoke about franchise fees, with the largest fee coming from Portland General Electric. Other revenue sources mentioned included grants, such as a speed enforcement grant for \$24,000, a Body Camera grant, and a Mental Health Response Team grant. He also discussed Recreation User Fees, which will remain consistent this year, and library fines, which have decreased since the Library has discontinued overdue fines on materials. Director Warner spoke about interest on investments held in three funds, which is estimated at 1% growth. He also provided an update on street tree fees, which remain higher than normal as trees are still being replaced from the 2021 ice storm.

Director Hudson spoke to the building fund and the interest on investments. He spoke to the Road Utility Fund, which receives Washington and Clackamas Counties Vehicle License, and gets transferred for the Road Maintenance Program. He noted that the Road Operating Fund Other Grant Revenues will be zero this year as it was previously funded by a grant from Metro. Director Hudson also spoke about the Parks Utility Fund, which became effective on July 1, 2021, and is just starting to receive funds. He mentioned the Beginning Fund Balance in the Transportation Project Fund decreased as bond projects start to wrap up. Director Hudson provided an update on the Tualatin City Services Building Fund, stating that savings on projects resulted in a higher beginning fund balance going into the next year. He stated the Sewer Operating Fund has a large reimbursement from Clean Water Services for projects being funded by them and completed by the city.

Finance Director Don Hudson provided an overview of expenditures, which included various departments and funds such as City Council, Non-Departmental, Finance, Legal, Information and Maintenance Services, Engineering, Library, Parks and Recreation, Parks Utility Fund, Police Department, Water Operating, Merchant Discount Fees, Utility Funds Capital Outlay, pass through to Clean Water Services, Stormwater Operating, Pavement Maintenance Program, Transportation Projects, and the Tualatin City Services Building funds.

Chair Valli asked who was responsible for work along Martinazzi Avenue. City Engineer Springer explained the road would be repaved once the weather permits.

Councilor Brooks inquired whether the city has been investing in climate mindful investments. Director Hudson stated he cannot recall any specific investments of that nature due to limitations on what the city can invest in.

Public Comment

None.

Committee Questions and Comment

Director Hudson presented proposed amendments to the committee. He mentioned these are for purchases or projects that will not be complete before June 30th and need to be carried over to the FY 22/23 Budget. There are amendments for vehicle purchases, the Brown's Ferry Bridge Boardwalk, 65th and Nyberg Sewer, and grant programs in the Library and for the Tualatin River Greenway Trail,

Committee Member Deal inquired about the \$3,000,000 set aside in the American Rescue Plan fund and its intended use. Director Hudson explained that the funds could be used for local businesses and community programming.

Motion to approve the Fiscal Year 2022-2023 City of Tualatin budget, as 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 \$3,160,895 for payment of general obligation bond principal and interest made by Brune, Seconded by Pratt

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Deal, Hillier, Williams, Pratt, Horsford, Sacco

MOTION PASSED

Motion to approve the Fiscal Year 2022-2023 Tualatin Development Commission budget made by Horsford, Seconded by Brune

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Grimes, Pratt, Horsford, Michels

MOTION PASSED

Adjournment

Chair Valli adjourned the meeting at 7:31 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor