



# **TUALATIN BUDGET ADVISORY COMMITTEE**

OFFICIAL MEETING MINUTES  
FOR JANUARY 21, 2025

**PRESENT:** Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Valerie Pratt, Elizabeth Michels, Joseph Tanous, John Hannam, Mary Dirksen

**ABSENT:** Maria Reyes, Octavio Gonzalez, Cyndy Hillier, Christen Sacco, Alyssa Colon

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## **Call to Order**

Chair Brune called the meeting to order at 5:38 p.m.

## **Meeting Agenda and Materials**

### **1. Update on FY 2024-25 Budget-to-Date**

Assistant City Manager/Finance Director Don Hudson presented the fiscal year 2024-25 budget overview. He stated funds are trending similarly to the previous fiscal year. Director Hudson provided an update on revenues and expenditures through December 31 for the current fiscal year, comparing them to fiscal year 2023-24.

Director Hudson highlighted that general fund trends remain consistent. He noted that the building fund is experiencing higher revenue due to increased development activity, while expenditures remain low due to vacancies within the department.

Member Hannam asked if the vacancies are affecting service time. City Manager Lombos stated that it has not had an impact at this time.

Director Hudson discussed the Road Utility Fund, stating that revenues would be billed out soon. He noted that expenditures are low since the pavement maintenance program requires less paving this year. He also explained the transfers related to the Road Operating Fund.

Member Brune asked if expenditures would meet the budget by the end of the year. Director Hudson stated that he anticipates the same expenditure percentages as in previous years, meaning the budget will be nearly fully spent.

Director Hudson spoke about the Water Operating Fund, noting that higher water consumption has been recorded this year. He shared the Sewer Operating Fund, noting that revenues are low due to a lag in receiving reimbursements from Clean Water Services. He explained that in the Stormwater Operating Fund, stormwater projects are currently being completed using funds that were previously held.

Director Hudson provided an update on revenues, stating that general fund revenue is trending as expected and remains stable. He noted that property taxes increased from 3% to 3.8%, generating approximately an additional \$100,000 in revenue.

Council President Pratt asked about the contents of the miscellaneous revenue line. Director Hudson explained that it is primarily composed of reimbursements.

Director Hudson noted that license and permit revenue has dropped, as public works permits fluctuate annually based on development activity. He spoke to intergovernmental revenue, stating that the timing of the Clackamas County Library District payment resulted in higher-than-expected revenues. Director Hudson spoke to the equitable sharing program, where the city receives a portion of funds when the drug dog finds money, and that revenue has been received.

Member Micheals asked if those funds go to the police department. Director Hudson clarified that the funds are deposited into the general fund but have restricted uses.

Director Hudson stated that building fund revenue is up year-over-year due to increased development activity. He also provided an update on utility funds, explaining that fees and charges in the road utility fund, parks utility fund, and water operating fund have fluctuated. He noted that water operating revenue is slightly down due to a decrease in temporary water use at building sites, as there was more construction-related water use last year than this year.

Member Michels asked about the reason for reduced water usage. Director Hudson attributed it to weather conditions.

Director Hudson discussed investment interest rates, noting that the interest rate environment is beginning to decline. However, the city's general investment portfolio remains stable due to securing favorable long-term investment options.

Director Hudson shared a list of federal, state, and local grants that the city has applied for and those received to date. He highlighted several key grants, including funding for Juanita Pohl Center facility enhancements, traffic enforcement, a Ready to Read grant, a cybersecurity grant, the micro-hydro turbine project, and vehicle charging stations. He noted that the vehicle charging station grant is currently paused while new federal regulations are being finalized over the next 90 days.

Councilor Brooks asked when the grant was first announced. Manager Lombos stated it was announced in September. Councilor Brooks then asked if the city would be reimbursed for the work that had already been done on the grant. Manager Lombos explained that the Federal Highway Administration (FHA) had not yet finalized the grant, so the contract had not been signed. Director Hudson clarified that the city had not incurred any grant-related expenditures.

Director Hudson provided an update on expenditures, noting that personal services costs in the building and parks maintenance funds are low due to staffing vacancies. He assured the committee that the city is working to fill these positions and that service levels have not been impacted. Manager Lombos added that a third-party building plans examiner has been brought on to assist while the department is understaffed, with funding for the position coming from the consulting budget.

Director Hudson reported that materials and services costs are remaining steady but can vary by department depending on the timing of purchases throughout the year. He noted

that capital outlay fluctuates annually based on the projects being undertaken in different funds.

Director Hudson noted that the Climate Action Plan current focus is on identifying an ongoing funding source. He stated that the topic would be brought back before the council in February for further discussion.

Member Valli asked if the funding for the Climate Action Plan would be non-federal. Manager Lombos confirmed that the city is looking at local funds and will not be dependent on federal funding.

Director Hudson provided an update on the parks replacement fund, explaining that the city is continuing to analyze future needs and costs. He stated that the city will begin working with the new Parks and Recreation Director to develop a strategy, and the fund will be brought before the council for consideration and adoption in spring 2025.

Director Hudson noted that the outside agency grants were recently increased from \$40,000 to \$50,000 and shared the list of awardees.

Director Hudson asked for feedback on the information presented and whether it met the city's needs. Member Tanous expressed interest in seeing a larger financial plan for comparison, potentially covering 5 to 10 years.

Member Brune inquired whether the parks bond funds are on track to be expended within the required timeframe. Director Hudson stated that the program is proceeding as planned and that expenditures are expected to remain on schedule.

Director Hudson provided an overview of the fiscal year departmental highlights. He noted that the city hired a contract lobbyist, Thorn Run Partners, and that the council has now adopted a state and federal legislative agenda. He highlighted key projects the city is advocating for, including efforts to protect local governments' ability to offer tax-exempt municipal bonds.

Councilor Michaels asked if this would impact arbitrage. Director Hudson explained the details of arbitrage.

Director Hudson shared the League of Oregon Cities (LOC) legislative priorities. Councilor Michaels asked about Priority 9, ORS 195.530. Director Hudson explained that it pertains to regulations on homelessness and what actions cities can and cannot take.

Director Hudson provided an update on the city's website redesign project, which is currently underway and anticipated to be completed in June. He shared additional highlights from the Administrative Department included engaging over 750 volunteers across the city, negotiating collective bargaining agreements with AFSCME and the newly formed Sergeants Union, and hiring a shared homelessness response position in partnership with Tigard and Sherwood.

Councilor Dirksen asked when the bargaining contracts were finalized and if they led to an increase in personal services costs. Director Hudson explained that costs vary year by year but are now locked in for several years.

Member Brune inquired about the budget impacts of the shared homelessness position. Manager Lombos stated that there are no budget impacts, as the position is fully funded by Washington County.

Director Hudson shared updates from the Finance, Court, and Legal departments. He stated the Finance Department is working on a grants policy to serve as a resource across the organization> He stated the Court has been involved in the reinstallation of intersection safety cameras. The Legal Department updated the council rules and procurement thresholds and assisted with the acquisition of riverfront property for a future river access park.

Director Hudson shared highlights from Information Services included completing security upgrades at city offices and the library with updated badge systems and monitoring, as well as enhancing network security. He stated Community Development updates included work on the Transportation System Plan update, efforts on private development projects, and the successful hiring of an Urban Renewal/Economic Development Manager. Director Hudson stated the Library Department reported participation in WCCLS funding discussions.

Director Hudson shared Parks and Recreation Department highlights including the completion of Parks Utility and Parks Bond projects, completion of a street tree inventory, and the successful execution of numerous events and programs. He stated the Police Department established an unmanned aerial system (drone) program, expanded its K9 program, and received a grant for Trauma-Informed Response training.

Director Hudson shared Public Works highlights included the start of pedestrian improvements in the Las Casitas neighborhood, completion of ADA improvements, and the inspection of over 1,000 water pipes, with no lead pipes found.

Director Hudson explained the upcoming FY 2025-26 budget process, noting that it officially began in January. He stated that budget meetings for the committee are scheduled for May 12, 19, and 28. He emphasized that the budget guidance for the upcoming year remains consistent, with a focus on maintaining current services at the existing service levels.

## **Committee Questions and Comment**

Member Tanous asked when the city would receive confirmation on the \$15 million grant. Manager Lombos stated that there is a minimum 90-day pause before any updates will be available.

## **Adjournment**

Chair Brun adjourned the meeting at 7:04 p.m.

Sherilyn Lombos, City Manager

\_\_\_\_\_ / Nicole Morris, Recording Secretary

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