



BUDGET COMMITTEE MINUTES

May 09, 2024 at 6:00 PM

Wilsonville City Hall & Remote Video Conferencing

CALL TO ORDER

Member Fitzgerald called the meeting to order at 6:01 pm.

1. Roll Call

Present: Member Fitzgerald, Member Linville, Member Berry, Member Moulton, Member Russell, Member Traugher, Member Beach, Member Moore. Member Akervall joined via Zoom prior to Item 7 and left during Item 11 due to power issues. Member Traugher left the meeting just prior to Item 10.

Excused: Member Dunwell

Staff Present: Bryan Cosgrove, City Manager; Jeanna Troha, Assistant City Manager; Keith Katko, Finance Director; Katherine Smith, Assistant Finance Director; Amanda Guile-Hinman, City Attorney; Delora Kerber, Public Works Director; Chris Neamtzu, Community Development Director; Zach Weigel, Capital Projects Engineering Manager; Scott Simonton, Fleet Services Manager; Andy Stone, IT Director; Cindy Luxhoj, Associate Planner; Vania Heberlein, Accountant

The Budget Committee members introduced themselves, noting their professional backgrounds, family and personal highlights, and years living in Wilsonville and serving on the Budget Committee.

2. Motion to Approve the Order of the Agenda

Member Berry moved to approve the Order of the Agenda. Member Moulton seconded the motion, which passed by a vote of 8 to 0.

ELECT BUDGET COMMITTEE CHAIR

Amanda Guile-Hinman, City Attorney, reviewed the rules for nominating and electing the Chair.

Member Moulton nominated Member Russell for the 2024 Budget Committee Chair.

City Attorney Guile-Hinman confirmed there were no further nominations and declared the nominations closed.

Following a roll call vote, Member Russell was unanimously elected as 2024 Budget Committee Chair. Chair Russell assumed the responsibilities of Committee Chair.

MOTION TO APPROVE FY 2023-24 BUDGET COMMITTEE MINUTES

3. Minutes of the May 17 and 18, 2023 Budget Committee Meetings

Member Linville moved to approve the Minutes of the May 17, and 18, 2023 Budget Committee Meetings. Member Berry seconded the motion, which passed by a vote of 8 to 0.

OPEN PUBLIC HEARING #1 - STATE SHARED REVENUE

Chair Russell called to order the City of Wilsonville Budget Committee public hearing on State Shared Revenue as reflected in the City of Wilsonville's FY 2024-25 proposed budget at 6:17 pm.

4. Presentation ORS 221.770

Assistant Finance Director Smith presented the Staff report on the proposed State Shared Revenues via PowerPoint, reviewing how the City met the State requirements and the revenues the City received. (Slide 4)

There were no questions from the Budget Committee.

5. Citizen Input

There was none.

6. Close State Shared Revenue Hearing

Chair Russell closed the public hearing on State Shared Revenue at 6:22 pm.

OPEN PUBLIC HEARING #2 - FY 2024-25 PROPOSED BUDGET

Chair Russell called to order the City of Wilsonville Budget Committee public hearing on the City of Wilsonville Fiscal Year (FY) 2024-25 proposed Budget at 6:22 pm.

Member Akervall joined the meeting via Zoom during the Chair's remarks.

7. Citizen Input

There was none.

8. Budget Message

City Manager Cosgrove reviewed the Budget Message, a copy of which had been distributed to the Budget Committee. The Budget Message included an overview of budget issues, major cost drivers, and highlighted the need to continue making strategic but cautious investments, sustaining current maintenance and program levels, as well as the City's ongoing capital work and funding for future infrastructure.

- He confirmed City Staff would explain where decisions had been made relative to the conditions described in the Budget Message. He noted that viewers at home could call or email questions to him or Finance Director Katko. The questions would be answered in detail and both the question and answer would be distributed to all Committee members.

9. Budget Overview

Finance Director Katko explained that the Budget Message distilled the 400-page budget document of the City's diverse operations, numerous funding streams and expense types down into a 15-page Cliff Notes version. He provided via PowerPoint a high-level overview of the budget process, how the budget operated, and the inner workings of the Fund Accounting Structure, and explained how the budgeted Beginning Fund Balance was the Estimated Ending Fund Balance of June 30, 2024, and that budget changes were made up until its distribution. Tonight's budget included the recent \$500,00 Clackamas County Grant for Housing initiatives and \$550,000 federal grant for the rehabilitation of the Memorial Park playground. He noted the accounting rule to expense items based on delivery dates could be difficult to align to the budget framework.

- He described the Budgeted Resources and Requirements within the FY 2024-25 proposed budget, which totaled \$257.8 million, highlighting key items of note, trends, and year-over-year changes. (Slides 8-25)

Staff addressed key questions from the Committee, noting why the opioid settlement funds remained budgeted, yet still unspent; that the City receives funding from the County's vehicle registration fees, not its own additional gas tax; and why even with property tax rates increasing, property tax revenues would decrease due to the impacts of the closed urban renewal districts. A more thorough explanation of urban renewal and the two closed districts would be provided at the Urban Renewal Area Budget Meeting next week.

10. Capital Improvement Project Budget

Finance Director Katko overviewed the Capital Improvement Program (CIP) Budget via PowerPoint, noting the summary of resources and the top five projects which consume about 58% of the \$65.9 million CIP Budget. (Slides 26-28)

City Engineer Weigel continued the PowerPoint, reviewing how CIP projects get on the CIP list, and highlighting the significant CIP projects planned within each quadrant of the city, as well as those related to Master Plans and Studies. (Slides 29-34)

Staff addressed key questions and comments from the Committee regarding the timeline and the City's contribution to the Stafford/65th/Elligsen Roundabout Project; the stream restoration connected to the Boeckman Road Corridor Project, which included the Canyon Creek/Boeckman Road roundabout; providing the Committee the PowerPoint's quadrant maps which differed from maps in the budget; potential federal grant money being used for construction of the I-5 Pedestrian Bridge as the design work was complete; and that the Town Center ballot measure would not impact next year's budget, adding the Town Center Plan relied heavily on urban renewal..

Additional comments from the Committee noted the funding being used from the City's closed or closing urban renewal districts for the Boeckman Dip Bridge and Brown Road Improvements Projects.

11. Program Budget: Public Works - PW Admin, Facilities, Roads, Water, Sewer, Storm, Street Lighting

Public Works Director Kerber described the functions and responsibilities of the Public Works Department, highlighting the work, key activities, and any budget requests within the Department's seven program areas. She noted the Community Service Block Master Plan addressed the future home of the police department and a new community center. She announced the Public Works Complex had been completed and invited the community to its Grand Opening on May 18th, adding the event would kick off National Public Works Week, May 19-25, 2024, with the theme Advancing the Quality of Life for All. (Slides 37-46)

Staff addressed Committee member questions and comments about testing for PFAS and water testing requirements; continued wastewater testing for RSV and COVID; the benefits of hiring third-party vendors like Veolia for water and wastewater; ideas to educate the public about recycling, what should not be flushed or put down drain pipes, etc.; TripCheck and intersection signal cameras, which were operated by ODOT and Clackamas County, and that last year's road repairs between Wilsonville and Sherwood were likely done by Washington County.

Member Akervall left the meeting due to power issues.

Assistant Finance Director Smith presented the Public Works Budget via PowerPoint, including the Current Year-End 2023-24 Budget Estimate and the Proposed 2024-25 Budget, noting all departments had a ten percent increase for health insurance in Personnel Services as well as increases in Material Services, most notably with utilities and liability insurance. She described proposed Baseline Changes and any Add-Packages for each of the seven program areas. (Slides 47-55)

Public Works Director Kerber clarified for Committee members that the increased utility costs were due to the new Public Works Complex building and explained that the energy credits for the solar panels on the warehouse would only be accrued during the first year, then the credits would be applied to the City's utility bill for that specific facility starting in the second year.

Members Akervall and Traughber rejoined the meeting via Zoom.

12. Program Budget: Transportation - SMART, Fleet

Described the functions and responsibilities of the Transportation Department, highlighting the work, key activities, and any budget requests within the Department's seven program areas.

SMART Transit Director Brashear presented the key projects of the Transportation Department via PowerPoint, highlighting the Clackamas Town Center route, Transit Oriented Development (TOD) project, expansion of the facility yard, battery-electric trolley, noting the 2023 Transit Master Plan Update was adopted by City Council. He described how the Statewide Transportation Improvement Fund (STIF) and other grants and subsidies funded SMART's programs and projects. He noted the recent federal audit found only three minor flaws, which had been addressed, and he would post this and last year's audits on the SMART website. He announced that a national survey rated SMART as one of the top ten transit agencies in the country for each of the past seven years. (Slides 57-58)

Staff responded to questions and comments from Committee members, updating on the status of the TOD project, which was expected to be completed in April 2026; describing how the City was able to provide free high-quality transit service and remain in the black, due to STIF funding, funding from employer-transit fees, and SMART's ability to get federal grant; noting employers received top-quality service for the transit payroll tax, which was the lowest in the tri-county area; and confirming individuals being released from Coffee Creek rode SMART free of charge; no reimbursement was received Coffee Creek was part of TriMet's area.

Finance Director Katko presented the Transportation Budget, including the Current Year-End 2023-24 Budget and Proposed 2024-25 Budget, highlighting key items in the Baseline Changes and proposed Add-Packages for SMART and Fleet Services. He noted unique elements within the budget in dealing with grant funding and how Fleet Services covered all City Departments. (Slides 59-60)

Staff addressed questions from Committee members about how the department allocations for Fleet Services worked and noted how warranties on equipment were tracked.

RECESS MEETING UNTIL MAY 15, 2024

Chair Russell noted the public comment received for Parks and Recreation would be read next week.

City Manager Cosgrove stated that Parks and Recreation Director Ammerman would address the matter during his report next week.

Member Beach moved to continue the Budget Committee meeting to May 15, 2024, at 6:00 pm. Member Berry seconded the motion, which passed by a vote of 8 to 0.

Chair Russell recessed the Budget Committee meeting at 8:38 p.m.

Respectfully submitted,

Paula Pinyerd, ABC Transcription Services, LLC.
for Kimberly Veliz, City Recorder