



SPECIAL CITY COUNCIL/DEVELOPMENT COMMISSION MEETING MINUTES OF APRIL 20, 2009

PRESENT: Mayor Lou Ogden; Councilors Chris Barhyte, Monique Beikman, Joelle Davis, Jay Harris, Donna Maddux, and Ed Truax

STAFF

PRESENT: Sherilyn Lombos, City Manager; Doug Rux, Community Development Director, Mike McKillip, City Engineer; Paul Hennon, Community Services Director, Eric Underwood, Development Coordinator; Carina Christensen, Assistant to the City Manager; Don Hudson, Finance Director; Nancy McDonald, Human Resources Director; Kent Barker, Police Chief; Dan Boss, Operations Director; Brenda Braden, City Attorney; and Maureen Smith, Recording Secretary

OTHERS

PRESENT: Frank Bubenik, Candice Kelly, Tualatin Tomorrow Co-Chairs

The special work session was called to order at 6:06 p.m. at the Tualatin Police Facility Training Room.

[Note: Councilors also act as "Commissioners" for the Tualatin Development Commission.]

1. ANNOUNCEMENTS

City Manager Sherilyn Lombos announcements

2. ITEMS DISCUSSED

A. Budget Discussion

City Manager Sherilyn Lombos began discussion on review of the preliminary FY 2009/10 budget. The first Budget Advisory Committee meeting is scheduled for Monday, May 11, 2009. Staff will incorporate any feedback from Council at this meeting in the final preparation of the FY 2009/10 budget..

General Fund revenues and expenditures were reviewed first. Ms. Lombos said expenditures are down and revenues are up approximately 4%. Increased revenues accounts for, in part, to grants received by the City, the rental license program, the expanded municipal court, and interest.

Various policy issues for Council to consider include Tualatin Tomorrow budget request, snow/ice removal discussion, library issue, recreation discussion, retirement (PERS) reserve, water, sewer and storm drain rates, gas tax trends and the water quality inspection program.

Finance Director Don Hudson displayed a PowerPoint of the total proposed budget, which includes the General Fund, Engineering and Building, Operations, Debt Service and Other Funds, Capital Development Funds and the Tualatin Development Commission budget.

Review of the *revenue* side of the General Fund includes property taxes, franchise fees, state shared revenue, intergovernmental, charges for services, fees and charges, fines and forfeitures, transfers, interest and miscellaneous, with the total revenues up 4.77 percent.

Ms. Lombos reviewed *expenditures* in the budget lines of Council, Administration, Finance, Legal, Court, Planning, Police, Fleet, Building Maintenance, Parks Maintenance, Community Services and Non-Departmental. The Administration through Non-Departmental budgets reflect a savings because of the decrease in PERS rates. Mr. Hudson explained that actuarial studies are done every two years. In addition, cost of living and step increases are frozen at the current year levels, except for Police, currently under contract, and negotiations are ongoing for the general bargaining unit. The rental housing program is included in the Finance budget line.

Funding has not been added for outside legal counsel expenses, and if needed, staff will bring to Council and suggest using Contingency funds. The Court budget line was reviewed and Ms. Lombos explained about the Intergovernmental Agreement (IGA) Tualatin has with the City of Durham needs to be modified for citing tickets into municipal court. The Durham City Administrator did not see a problem with modifying the IGA.

Community Development Director Doug Rux reviewed the Planning budget from the current year to the proposed budget for next fiscal year.

Co-chairs Frank Bubenik and Candice Kelly were in attendance and presented the proposed Tualatin Tomorrow budget for FY 2009/10, and distributed an overview of the strategy progress to date. The proposed budget is up approximately \$1,600 from last year, with minor changes such as increased printing and postage costs, promotional materials, etc. The upcoming fiscal year will also have a full year of the administrative position to help with the workload. The requested budget is included in the proposed Planning budget. Ms. Kelly noted the upcoming Tualatin Tomorrow annual event on April 30, 2009 and invited all Council to attend. Also noted was the successful Health and Safety Fair that was held this past Saturday.

The Police Department budget was reviewed, which includes Administration, Patrol, and Support Divisions. The dispatch contract with Washington County Consolidated Communications Agency (WCCCA) which handles 9-1-1, is up about 7%, and will continue to increase over the next several years. The contract with the Tualatin Police Officers Association (TPOA) will expire soon and negotiations will be starting.

Replacement of two new patrol vehicles is recommended, and also recommended is replacement of three unmarked vehicles. \$50,000 is budgeted, and staff will be applying for a grant to supplement the \$100,000 needed for the vehicles.

Police Chief Kent Barker has been working with TriMet on a "Westside Force" to enhance the safety of mass transit. TriMet's proposal is to contribute 110% of the City's cost for a Tualatin law enforcement officer. It has been added to the proposed budget and will be at least a four-year commitment by TriMet. Chief Barker added that all the jurisdictions in Washington County have committed to providing at least *one* employee for transit safety, except for Sherwood and Tualatin at this point.

Fleet Services was reviewed, with *expenditures* down approximately 20%, due mainly to decreased PERS costs, decreased fuel costs, and a shop truck purchase from last year's budget.

The Facilities budget increased with a variety of maintenance work proposed and the addition of proposed snow removal equipment. Maintenance projects include commuter rail station maintenance, electrical/lighting support for the Library, replacement carpet at Police, Council Building painting and Chambers carpet replacement. The Senior Center is in need of a security system and they have requested an upgrade to the automatic door for the building entrance.

Operations Director Dan Boss reviewed the snow removal program, and staff has discussed how to best address snow events, in light of the December 2008 snowstorm. Staff has also looked at coordination with other agencies and a possible sidewalk removal program. Capital investments will be needed for the type of program proposed. Mr. Boss explained what equipment the City currently has, much of which is aging or ineffective. Recommended is two walk behind snow blowers at \$1,250 each from General Fund in Facilities and Parks Maintenance. A new ten-yard dump truck is at a cost of \$160,000 split among the following divisions: Facilities (General Fund), \$20,000; Parks Maintenance (General Fund) \$20,000; Water (Operations Fund) \$40,000; Sewer (Operations Fund) \$40,000; and Street (Operations Fund) \$40,000. Snow plow for new 10 yard dump truck \$15,600 – Streets (Operations Fund); slip in sander for 10 yard dump truck (\$14,000) – Streets (Operations Fund); and a snow plow for the 1-ton truck \$7,000 – Streets (Operations).

Councilor Harris mentioned he has been an advocate for this, but questioned whether the equipment needs to be purchased all at one time. Mr. Boss said at a minimum, staff would request replacement of the dump truck. Mayor Ogden said with concessions being asked of employees he is interested in holding off on spending funds on some of the proposed maintenance items. However, the Senior Center door and security system are important.

Discussion followed and Council tabled the issue until the end of the work session.

Expenditures are up 3.5% in the Parks Maintenance Division, in part due to the division's share of the dump truck and snow blower. Also recommended is replacement of an aging 3/4 ton truck, and resurfacing basketball courts at Ibach and Lafky Parks, which are on a five-year cycle.

Councilor Maddux asked and Ms. Lombos said the "dog park" is not included in this budget. Councilor Maddux said her recollection is it would be included in the budget at some point. Community Services Director Paul Hennon explained there were funds allotted in the bond measure (that did not pass), but there are not any other funds allocated. The major elements of a dog park would include fencing, possible gravel path, etc. Discussion followed on what would be the costs for a basic approach to constructing a dog park. Council tabled this item until the end of the discussion.

The Community Services Department, comprised of Administration, Library, and Recreation Divisions was reviewed. Community Services Director Paul Hennon said Library circulation has increased significantly more than projected, and will increase in the next couple years. The Library is "struggling" with its success and subsequently collection development has suffered. Staff is proposing to add an approximately 20 hours a week part-time position. Library funding sources were reviewed. It was asked and answered that the Clackamas County Library District is not included in this budget. Also the coffee service vendor is struggling and may need to be subsidized.

Mr. Hennon gave an overview of recreation programming. Staff is looking to create a recreation program with the existing buildings, staff, etc. and increase/redirect programming already done by staff. A policy decision would be needed to redirect funds that would be needed to get a recreation program going. Various options are available for repurposing of some funds which would give some programming hours each week, and also a part-time recreation position at approximately 13 hours/week to coordinate with instructors, etc.

Discussion followed on having a broad based recreation program that includes more than just teens. Council was in agreement of the importance of providing a recreation program at an enhanced level, and to redirect the small amount of funding needed for such a program. There was some concern expressed about taking away from the youth programming.

Non-Departmental expenditures are down 4%. Proposed is funding for a computer software upgrade, a small amount for a survey and for the train horn noise mitigation. Scaling back on website upgrades and the holiday party.

Mr. Hudson wrapped up the discussion on the General Fund beginning fund balance, total before contingency and reserves, and the unappropriated balance. Setting aside a PERS reserve for the next fiscal year is prudent. The budget "gap" is approximately \$153,000, and not undoable going into the next fiscal year and can be made up, also staff is not recommending dipping into Contingency this fiscal year and to maintain the Contingency and Reserves levels.

City Engineer Mike McKillip reviewed the Engineering and Building fund, which includes the Administration, Engineering, and Building Divisions. The Engineering Division is not working on many development projects, but there are a variety of other projects. There is an increase in franchise permits, and several capital projects are underway this year, etc. The Division is also down one person from last year.

Overtime has been decreased and not contracting with outside consultants. There are more over-the-counter permits than in the past, and staff is also working on upgrading computer skills. Mr. McKillip distributed information on review of building fees in comparison to other cities. Out of eight cities Tualatin's fees are generally in line with other cities, and there are no plans to raise permit fees at this time. There is sufficient operating reserves in each division ranging from three months to six months. Discussion followed.

Water, Sewer and Street Operating Funds were reviewed. Holding off for another year of not increasing water rates, instead taking from the rate stabilization line. Brief discussion followed.

The Sewer Fund local rate is not increasing but the regional portion (Clean Water Services) is. The Storm Drain Fund surcharge is cut by 0.10. Rates have not been raised in this fund since 1998. Mr. McKillip explained there was a lot of capital projects that have been done that are not happening this year accounting for the fund being down. There is a water quality program in the Storm Drain Fund which will require the City to make sure water quality facilities are up to par. Discussion followed on the net revenue being down in water, sewer, and storm drain, reflecting that these funds have traditionally been underfunded.

The Road Operating – Utility Fee has a lower balance due to several projects being done.

Gas tax revenues are down and staff's recommendation is to have a future conversation with Council on this fund and the Road Utility Fee Fund. Brief discussion on streetlights and PGE's use of LEDs.

The Operations Fund is transferring in less which leaves Contingency and Reserves at last year's level. Staff's goal is to have a capital improvement plan, but this budget is not reflecting any funds for a master plan at this point.

The Core Area Parking fund includes some projected construction in the core area, and a 1% tax increase for 2009/10. Staff also wants to have a discussion with Council on this fund not reflecting the true cost. The Science & Technology fund is an extremely limited income fund, and with the economy staff is recommending scaling back on the amount and number of scholarships awarded next fiscal year.

Debt Service Funds were reviewed which include General Obligation, Bancroft Bonds, and Enterprise bonds.

Capital Development Funds, which include Water, Sewer, and Road SDCs were explained. Storm Drain SDCs, Parks Development fund and Water Reservoir Fund were briefly reviewed and explained what comprises each fund.

Transportation Development Tax is a new fund passed by the voters. Local Improvement District and Infrastructure Reserve funds were reviewed. Discussion followed and staff and Council will look at transportation funding for a future discussion.

The Tualatin Development Commission budget was reviewed, which includes Administration, Central Urban Renewal District (CURD) Projects and CURD Bonds. Most is the same as it was last year. The CURD is moving forward as directed by Council. Leveton Projects and Leveton Bonds funds were reviewed, and noted Council's previous direction on closing the district at its end.

Ms. Lombos revisited discussion on the purchase of equipment and a dump truck out of various funds for snow events. Discussion followed and it was asked if the City could live without a dump truck for another year.

Mayor Ogden questioned whether this is the year to spend a substantial amount to buy a snow plow truck. All Council, except Mayor Ogden, favored purchase of a dump truck and the associated equipment. At least costs associated with a dog park was favored by Councilors Harris, Maddux and Truax

MOTION was made by Councilor Maddux, SECONDED by Councilor Truax to take \$30,000 from the General Fund for a scaled down dog park. MOTION DIED.

B. Transportation Funding – I-5 / 99W Connector Alternative 7 Discussion

Transportation funding issues were discussed with Council. Mayor Ogden suggested passing on to Metro that Tualatin is *not* in support of Alternative 7 of the I-5 / 99W Connector Project, but the City will support the southern portion which includes 124th / Tonquin. He also suggested not changing the Transportation System Plan (TSP) at this point, but to revisit in the future to take a more in depth look. Discussion of what comprises the TSP and the community awareness of what's in the TSP. Discussion followed.

Mayor Ogden said there is approximately \$20 million dollars available from the now defunct Connector Project, and Washington County is looking to direct the funds to the Tualatin/Sherwood area. Tualatin is looking at \$10 million and the other is \$10 million for Sherwood. Sherwood's first priority would be Adams Street, and any funds left they are interested in directing towards 124th Avenue. Council discussed using the funds for the 124th Avenue / Tonquin / Boones Ferry alignment. It was asked and answered that if the City moves forward with the alignment it would be better to be in the City of Tualatin instead of Washington County. Also mentioned was looking at the annexing of Tigard Sand and Gravel.

[Councilor Truax left at 10:03 p.m.]

Also mentioned was the City of Wilsonville's unhappiness when hearing of Tualatin *not* supporting "Alternative 7". Discussion followed. It was suggested to have a work session to discuss long-range issues and develop a strategy about the area between Tualatin and Wilsonville.

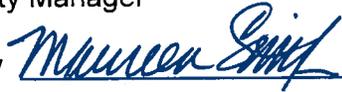
3. EXECUTIVE SESSION – None.

4. ADJOURNMENT

The special work session adjourned at 10:13 p.m.

Sherilyn Lombos, City Manager

Recording Secretary

A handwritten signature in blue ink, appearing to read "Maureen Smith", is written over a horizontal line.