



OFFICIAL MINUTES BUDGET ADVISORY COMMITTEE MEETING FOR MAY 9, 2016

Present: Candice Kelly, Roger Mason, Robert Kellogg, Brett Rhode, Joelle Davis, Dan Gaur, Terri Ward, Lou Ogden, Monique Beikman, Paul Morrison, Ed Truax, Frank Bubenik

Absent: Wade Brooksby, Nancy Grimes

Staff City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Kent Barker;

Present: Community Services Director Paul Hennon; Finance Director Don Hudson; Planning Manager Aquilla Hurd-Ravich; Deputy City Recorder Nicole Morris; Parks Maintenance Manager Tom Steiger; Program Coordinator Kathy Kaatz; Maintenance Services Division Manager Clayton Reynolds; Police Captain Mark Gardner; Street/Sewer/Storm Division Manager Bert Olheiser; Assistant to the City Manager Tanya Williams; Pohl Center Supervisor Matt Saviello; Assistant City Manager Alice Cannon; Library Manager Jerianne Thompson; Parks and Recreation Manager Rich Mueller; Management Analyst II Zoe Monahan; City Engineer Jeff Fuchs; Human Resources Director Janet Newport; Program Coordinator Lisa Thorpe; Accounting Supervisor Matthew Warner; Economic Development Manager Melinda Anderson; Public Works Director Jerry Postema

A CALL TO ORDER

The Budget Advisory Committee meeting was called to order at 5:07 p.m.

B WELCOME AND INTRODUCTIONS

Finance Director Hudson lead introductions of the committee and staff.

C ELECT COMMITTEE CHAIR

MOTION by Lou Ogden, SECONDED by Terri Ward to nominate Roger Mason as committee chair.

Vote: 12 - 0 MOTION CARRIED

D APPROVAL OF MINUTES

MOTION by Lou Ogden, SECONDED by Terri Ward to approve the minutes.

Vote: 12 - 0 MOTION CARRIED

- 1 Consideration of Minutes from the Budget Advisory Committee Meeting of May 27, 2015

E MEETING AGENDA AND MATERIALS

- 1 Review Fiscal Year 2015-16

City Manager Sherilyn Lombos presented a PowerPoint and gave an overview of the City organization, events and accomplishments that occurred this past fiscal year.

2 Deliver Budget Message and Distribute Proposed Fiscal Year 2016-17 Budget

Finance Director Don Hudson presented a PowerPoint on the Fiscal Year 2016-17 Budget Message. He announced this year's budget theme as "America's Best Community." Tualatin was announced as one of eight finalists in the competition. He recapped employment numbers for the year and completed City projects.

Director Hudson stated the proposed Fiscal Year 2016-17 Budget is \$82,709,580 which is an increase of 4.74%. He stated the Tualatin Development Commission Fiscal Year 2016-17 Budget has increased by 0.6%. Director Hudson stated all services and amenities are being delivered in a fiscally responsible manner.

Director Hudson noted the chart of accounts has been cleaned up for the next fiscal year. This has allowed for better categorization of revenues to align better with financial statements. Director Hudson began his review of revenues noting as whole they have remained stable with a slight increase of 5.79%. He highlighted a few of the revenue sources including Park SDC's, Water Rates, Police Services, and Passport Revenues. He commented on the increase in property taxes due to the growth in assessed value of 5.18%.

Director Hudson began his review of expenditures and stated staff used the premise of looking at what is needed to provide and maintain the great services, while identifying savings wherever possible. Additional clean-up of funds including the closure of the Operations Fund will be complete in FY 2016-17 placing expenditures where they truly belong. Overall expenditures, less reserves, contingencies, and transfers, will go up 1.29%. Increases in Materials and Services and Personnel Services were touched on noting some of the increases in these categories are due to contractual obligations. He updated the committee on PERS noting FY 2016-17 is the second year of the biennial PERS rates, so the City will see no rate change. PERS rates are expected to significantly increase in FY 2017-18 and the PERS Reserve Fund will need to be utilized then. Overall the City's reserves are strong which has led to an upgrade in the City's Moody's Bond Rating from Aa1 to Aa2.

Director Hudson reviewed the Capital Outlay Fund noting there is a decrease in this fund as the Tualatin River Greenway Trail project is now complete. He added the Debt Services Fund is maintaining.

Director Hudson stated the Tualatin Development Commission Fund has dollars available. A committee will review projects over the next couple of years and then will determine how those dollars will be spent.

Mayor Ogden asked how much of the assessed value for the City is new growth. Director Hudson stated he will have to further research and will provide that information at the next meeting.

Councilor Davis asked when the Durham Police Contract was up for renegotiating. Director Hudson stated they will begin negotiations next year.

Committee Member Mason asked for the status of the current budget vs. the actual. Director Hudson stated the City is currently trending slightly below budget and is maintaining appropriate levels.

Director Hudson distributed the proposed FY 2016/17 budget. He noted any questions regarding this year's budget could be emailed to him.

3 Discussion of Fiscal Year 2016-17 Budget

Director Hudson proceeded with an overview of the smaller funds including the Tualatin Scholarship Fund and the Core Area Parking District Fund. Debt Services Funds were also reviewed and included the General Obligation Bond and Enterprise Bond. Capital Development Funds including the Park Development, Water Development, Sewer Development, Storm Drain Development, Road Development, and Transportation Development Tax where over viewed.

The Tualatin Development Commission (TDC) Funds were reviewed including the Administration Fund and the Central Urban Renewal and Leveton Projects.

4 Discuss Second Budget Committee Agenda

The meeting concluded with a brief discussion of the agenda for the next budget meeting on May 31st.

F OTHER ISSUES

None.

G ADJOURNMENT

Chair Mason adjourned the meeting at 6:43 p.m.

Sherilyn Lombos, City Manager

 / Recording Secretary