



OFFICIAL MINUTES OF THE SPECIAL WORK SESSION OF THE TUALATIN CITY
COUNCIL FOR APRIL 15, 2014

Present: Mayor Lou Ogden; Council President Monique Beikman; Councilor Joelle Davis; Councilor Wade Brooksby; Councilor Frank Bubenik; Councilor Nancy Grimes; Councilor Ed Truax

Staff Present: Sherilyn Lombos, Sean Brady, Kent Barker, Alice Cannon, Paul Hennon, Don Hudson, Sara Singer, Aquilla Hurd-Ravich, Nicole Morris, Lance Harris, Cindy Hahn, Carl Switzer, Tom Steiger, Ben Bryant, Clare Fuchs, Janet Newport, Matthew Warner, Jerry Postema

A. CALL TO ORDER

Mayor Ogden called the meeting to order at 5:33 p.m.

B. AGENDA

Finance Director Don Hudson presented a PowerPoint presentation on the FY 2014/15 budget. A five year review of general fund revenue and expenditures was provided. He noted general fund revenues have been increasing over the last five years at a rate of 3-4% per year. Trends for revenues, expenditures, assessed value growth, franchise fees, intergovernmental and state shared revenues were reviewed.

Mayor Ogden asked how Library funding comes from intergovernmental revenues. Director Hudson explained half of the funding comes from a levy and the other half from Washington County's general fund.

Director Hudson stated general fund expenditures are growing at 5.5% per year. Items covered in this fund include personnel services and materials and services.

Director Hudson discussed future projections. He has projected a 3% increase in revenues for the FY 2014/15 budget with expenditures being budgeted at 100%. The fiscal health model is positive with a narrow gap of .07%. He is confident that this gap can be closed.

The budget premise for the FY 2014/15 budget is to maintain current levels of service that are aligned with the City Council's goals. Director Hudson reviewed the City Council goals. Budget instructions to staff were to maintain personnel service and contractual obligations, and limit growth to 2% for non-contractual materials and services. Capital outlay projects will be prioritized by a team of staff members and funded accordingly through the development of the City's five year Capital Improvement Plan (CIP).

Director Hudson highlighted the budget add packages for the FY 2014/15 budget. Packages included a Council advance, facilities study, additional planning capacity, teen room staffing, library extended outreach, increased contributions to outside agencies, and matching funds for the

Pohl Center Community Development Block Grant (CDBG) Grant. He noted that adjustments were made to each department's budget to help fund these items.

A proposed utility rate increase was discussed. The proposed increase will translate to less than \$3.00 per residential household. Director Hudson explained the increase is based on the figures adopted in the Water Master Plan.

This year upgrades to City's financial and accounting software will be completed. Director Hudson explained that the City began exploring options to upgrade the software in 2011. An internal committee comprised of key users from all departments was formed to identify organizational needs and to explore potential vendors. The group analyzed the options and three software programs were chosen. Springbrook software will cover general ledger, purchasing, payroll, human resources, utility billing and cash receipts, CRW will run building permits, planning, and engineering. Next Gen will be implemented to handle asset management. Implementation will kick-off in May with most modules being live by January 2015. The purchase of these programs will be a one-time expenditure.

Councilor Davis asked about integration with the City's website. Director Hudson anticipates the various pieces of software will be able to be integrated.

Director Hudson spoke to the City's PERS reserve fund. The fund currently has \$829,205. He explained that PERS reform is currently happening and it is anticipated that not all of these funds will be needed. He proposed using a portion of these excess funds to seed a capital fund. This fund could be added to annually by adding a percentage of fund balance over the estimate.

Councilor Davis noted PERS reform is still in litigation. She expressed concern with using this money until litigation was settled. Director Hudson stated the proposal is for future budget cycles.

Mayor Ogden spoke in favor of the fund as he would like to see a steady funding source for capital improvement projects.

Mayor Ogden asked how much assessed value would need to be created over the next five years to close the gap between revenues and expenditures. Director Hudson stated a 4.5% increase would be needed.

C. ADJOURNMENT

Mayor Ogden adjourned the meeting at 6:36 p.m.

Sherilyn Lombos, City Manager

 / Nicole Morris, Recording Secretary

 / Lou Ogden, Mayor