



OFFICIAL MINUTES OF THE SPECIAL WORK SESSION OF THE TUALATIN CITY COUNCIL FOR APRIL 15, 2019

Present: Mayor Frank Bubenik; Council President Joelle Davis; Councilor Bridget Brooks;
Councilor Maria Reyes; Councilor Robert Kellogg

Absent: Councilor Paul Morrison; Councilor Nancy Grimes

A. CALL TO ORDER

Mayor Bubenik called the meeting to order at 5:07 p.m.

B. AGENDA

1. Fiscal Year 2019-2020 Discussion

Finance Director Don Hudson presented an update on the Fiscal Year 2019-20 budget. Director Hudson stated the budget premise this year was to look at what is needed to provide and maintain services, while identifying savings wherever possible. Budget instructions for staff were reviewed and remained the same as previous years.

Director Hudson stated revenues for this year have remained steady. The City's assessed value and property tax increased 6.12% this year. A proposed utility rate increases of 4.25% based of the master plan is slated for this year. The total increase for an average residential home will be \$5.04.

Director Hudson spoke to proposed projects in the expenditure funds including an increase to the Outside Agency Grant program, Transportation Bond projects, Atfalati playground equipment upgrades, Lafky Park irrigation upgrade, translation services, upgrades to the Commons Fountain, and funding the design of the Library Makerspace. He spoke to the 4.5% rate increase in PERS. He stated it is the first year of the new biennial PERS rates. The rate is impacted by long time employees retiring and being replace with lower salaried employees and the amount of different employees in each tier. Director Hudson reviewed the fiscal health model noting there is a positive alignment.

Councilor Kellogg asked if the city anticipates adding funds to the PERS Reserve fund. Director Hudson stated he continues to monitor the fund and has not looked at expanding at this time.

Director Hudson presented proposed funding for the Tourism Plan. He highlighted each

key area and proposed activities. Key areas included Events, Placemaking, Visitor Services, Marketing, and Capital Development. The total proposed funding for the program is \$210,000 of the collected tourism tax.

Councilor Kellogg asked what specific items are included in the proposed expansion of the Pumpkin Regatta. Parks and Recreation Director Ross Hoover stated a Friday night weigh-in with live music and vendors would be added. Councilor Kellogg asked if there is room to expand the number of allowed racers. Director Hoover stated staff is working on how that expansion could happen.

Councilor Kellogg asked what the feasibility study for an event space would specifically be looking at. Director Hoover stated it would be looking at community gathering places.

Director Hoover presented information on Parks System Development Charge (SDC) rates. He stated the approved methodology for determining SDCs was adopted in December. Staff is seeking direction on a proposed rate to include in the FY 19-20 budget. Director Hoover stated rates would go into effect July 1, 2019. Comparisons of neighboring communities including Beaverton, Wilsonville, Sherwood, Hillsboro, and Tigard were shared. Comparison examples of total fees included system development charges, other fees (including land use review, building permit fees and engineering plan review fees), parks SDC, and city property taxes for office buildings, retail buildings, warehouses, single-family houses, and a multi-family housing complex were reviewed. Director Hoover then presented a comparison of rates using the new adopted methodology at both the maximum allowable rate and 50% of the maximum allowable rate.

Council President Davis asked how often other jurisdictions increase their SDCs rates. Director Hoover stated SDC rates are reviewed regularly. City Manager Lombos stated the City looks at raising rates annually based off of rate studies.

Councilor Brooks asked how the water SDC rates will affect the totals when they are adjusted. Director Fuchs stated they are currently working on updating the Water Master Plan and will follow that with a separate rate study to determine fees. He noted he doesn't anticipate a large increase in those rates.

Councilor Kellogg asked how recent the McKenzie Study is that was used for the comparison. Director Hoover stated it was updated in 2018.

Mayor Bubenik asked what the revenue would be for the City at the 50% the maximum allowable rate. Director Hoover stated the methodology is based on \$74 million dollars in projects and the SDC rate would be the source for half of the funding.

Mayor Bubenik stated he feels the numbers at the 50% maximum allowable keep Tualatin competitive in the region.

Councilor Kellogg asked if a flat rate across all categories is required. Director Hoover stated it is not required, but is easier to apply.

Councilor Kellogg asked how often the rates will be reviewed. Director Hudson stated SDC rate review is at the discretion of the Council.

Mayor Bubenik asked if the new rates would be applied to the Basalt Creek area. Director Fuchs stated it would be.

Mayor Bubenik proposed setting the rate at 50% the maximum allowable rate. Council President Davis and Councilor Brooks concurred.

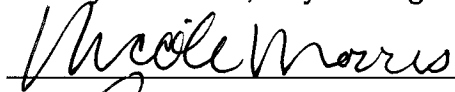
Councilor Kellogg requested more information on the factors used in the comparison examples before making a decision. City Manager Lombos stated staff could bring back more detail from the study for further consideration at a meeting in May and still have time for Council to make a decision to incorporate into the budget.

Mayor Bubenik requested the addition of a concept study for a Veteran's Memorial Park be added to the budget. He stated a local Veteran's group is working to get grant funds for the park but there are no grant dollars available for a concept study. Director Hoover stated a concept study could range from \$30,000 to \$40,000. Council consensus was reached to add a proposed line item to the budget for the concept study.

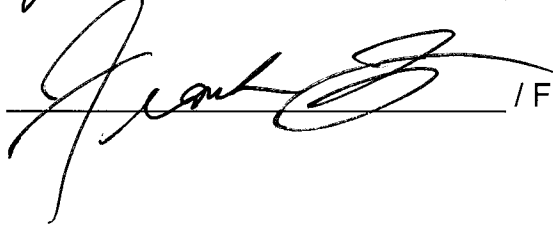
C. ADJOURNMENT

Mayor Bubenik adjourned the meeting at 6:51 p.m.

Sherilyn Lombos, City Manager



/ Nicole Morris, Recording Secretary



/ Frank Bubenik, Mayor