



## OFFICIAL MINUTES BUDGET ADVISORY COMMITTEE MEETING FOR MAY 6, 2019

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Present: Chris Brune, Frank Bubenik, Nancy Grimes, Paul Morrison, Robert Kellogg, Brittany Valli, Joelle Davis, Cyndy Hillier, John Hannam, Maria Reyes, Bridget Brooks, Valerie Pratt

Absent: Rebekah Morse, Monique Beikman

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Bill Steele; Finance Director Don Hudson; Planning Manager Aquilla Hurd-Ravich; Deputy City Recorder Nicole Morris; Maintenance Services Division Manager Clayton Reynolds; Street/Sewer/Storm Division Manager Bert Olheiser; Assistant to the City Manager Tanya Williams; Library Manager Jerianne Thompson; Economic Development Manager Jonathan Taylor; Management Analyst II Kelsey Lewis; City Engineer Jeff Fuchs; Management Analyst II Garet Prior; Program Coordinator Lisa Thorpe; Accounting Supervisor Matthew Warner; Parks and Recreation Director Ross Hoover; Human Resources Director Stacy Ruthrauff; Planning Manager Steve Koper

### **CALL TO ORDER**

Mayor Bubenik called the meeting to order at 6:07 p.m.

### **WELCOME AND INTRODUCTIONS**

#### **ELECT COMMITTEE CHAIR**

MOTION by John Hannam, SECONDED by Frank Bubenik to elect John Hannam as Budget Committee Chair.

**Vote:** 8 - 0 MOTION CARRIED

#### **APPROVAL OF MINUTES**

MOTION by Robert Kellogg, SECONDED by Paul Morrison to approve to Budget Committee meeting minutes of May 30, 2019.

**Vote:** 9 - 0 MOTION CARRIED

Consideration of Minutes of the Budget Advisory Committee Meeting of May 30, 2018

### **MEETING AGENDA AND MATERIALS**

#### ***Review Fiscal Year 2018-19***

City Manager Sherilyn Lombos presented highlights from the 2018-19 year. She stated three themes this year emerged: Tualatin Moving Forward, planning for the future, and community engagement. Project highlights and department roles from the Administration, Police, Community Development, Public Works, Community Services, Legal, Finance, Human Resources, and Information and Maintenance Services departments were reviewed.

## ***Deliver Budget Message and Distribute Proposed Fiscal Year 2019-20 Budget***

Finance Director Hudson presented a PowerPoint on the Fiscal Year (FY) 2019-20 budget message. He spoke to the City Council's 2030 vision. He recapped the seven vision statements. Director Hudson spoke to the Tualatin Moving Forward bond program and bond sale. Director Hudson highlighted changes in expenditures. He stated this is the first year of the biennial PERS rates which are increasing by a weighted average of approximately 4.5%. He noted the city has three separate PERS rates that impact the city. He spoke to the 15.2% Policy and Administration increase. He stated two new funds have been added this year: the Tualatin Service Center Project Fund and Vehicle Replacement Fund. Additional increases are due to technology upgrades, centralizing lease payments on copiers, and the addition of translation services to translate forms from English to Spanish. He spoke to the Tualatin Tourism Plan and the proposed funding in the five key areas.

Director Hudson stated that Community Development is increasing 4.9% and monies will be used to upgrade TRAKiT and continue work on the Tualatin 2040 project. Director Hudson stated that Community Services will be seeing a 2.6% decrease as the Park Development Fund SDC Credits that were budget and paid in FY 18-19 are complete. The department will not be reducing services or programs yet see increases through the Tourism Plan. The Tourism dollars will help to add additional events and complete an event space feasibility study. In addition, the Library will begin design work on a Makerspace and the Parks Division will be running a Smart Irrigation pilot program at Lafky Park. Director Hudson spoke to the 4.2% increase in Public Safety, noting the majority of the increase is in personnel services due to PERS increases. He stated that Public Works will be seeing a 10% increase related to utility costs, the addition of the Tualatin Service Center fund, and payments into the utility funds. He touched on water, sewer, and stormwater rates and priority projects from the Tualatin Moving Forward project that will be happening in the upcoming year.

Director Hudson began a brief overview of revenue funds noting they are stable. He stated at first glance it appears revenues will be decreasing 19.5%. The decrease is due to the bond sale. If you remove the bond sale, revenues will be increasing 13.4%. Property tax revenue increased 5.5%, charges for services increased 7.9%, and the largest increase was in transfers at 33.1% for the Tualatin Service Center fund. The investment earnings line increased 100% this year as the city passed an investment policy allowing for a more diversified portfolio of investments.

## ***Discussion of Fiscal Year 2019-20 Budget***

Director Hudson spoke to how the budget document is laid out. He covered the Reader's Guide, Budget Message, Budget Summary, Revenues, Expenditures, Debt Services, Capital Improvement Plan, and the Tualatin Development Commission. Director Hudson proceeded with an overview of the smaller funds including the Water Development, Sewer Development, Stormwater Development, and the Transportation Development Tax funds. Debt Services Funds were reviewed and included the General Obligation and Enterprises Bond funds. Additional funds included the Tualatin Scholarship Fund and the Core Area Parking District Fund.

The TDC Funds were reviewed including the Administration, Central Urban Renewal District Projects, and Leveton Tax Increment District Project funds.

## ***Discuss Second Budget Committee Agenda***

The meeting concluded with a brief discussion of the agenda for the next budget meeting on May 20, 2019, at 6:00 p.m.

**ADJOURNMENT**

Chair Hannam adjourned the meeting at 7:46 p.m.

Sherilyn Lombos, City Manager

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