



MEETING NOTICE AND AGENDA

SPECIAL CITY COUNCIL WORK SESSION

**Police Department Training Room
8650 SW Tualatin Road
Tualatin, Oregon 97062**

TUESDAY, APRIL 12, 2016, 5:30 p.m.

A. CALL TO ORDER

B. AGENDA

1. Fiscal Year 2016/17 Budget Discussion
Fiscal Year 2016/17 Budget Discussion
2. Tualatin Facilities Study Phase II Update
Tualatin Facilities Study Phase II Update

C. COMMUNICATIONS FROM COUNCILORS

D. ADJOURNMENT



STAFF REPORT

CITY OF TUALATIN

MEM-2110

B. 1.

Special Council Work Session

Meeting Date: 04/12/2016

Subject: Fiscal Year 2016/17 Budget Discussion

Through: Sherilyn Lombos, Administration

Information

Attachments

PowerPoint

City Council Work Session Fiscal Year 2016 -2017 Budget

April 12, 2016



Tonight's Agenda

- Update on FY16/17 Budget Process
 - Revenues/Expenditures Update and Highlights
 - Fiscal Health Update
- Facilities Study – Phase II Update



FY 2016 – 2017 Budget



CITY OF TUALATIN
2016-17
PROPOSED
BUDGET



AMERICA'S
BEST COMMUNITY
TUALATIN, OREGON

tualatinoregon.gov



AMERICA'S
BEST COMMUNITY
TUALATIN, OREGON

Budget Premise

“Look at what is needed to provide and maintain the great services we provide, while identifying savings wherever possible”



AMERICA'S
BEST COMMUNITY
TUALATIN, OREGON

Budget Instructions

- Personnel Services
- Materials and Services (M&S)
 - Increases up to 3%, including contractual increases out of the City's control, could be programmed without additional documentation
 - Total M&S increases over 3% required explanatory memo or add package
- Capital Outlay



Revenues and Expenditures

- On-Going General Fund Revenues are stable
 - Increases in Assessed Value in FY15/16, as well as projected AV growth in 16/17
 - First year of extended WCCLS Operating Levy
- On-Going General Fund Expenditures continue to be held in check
 - Continued focus on providing on-going services

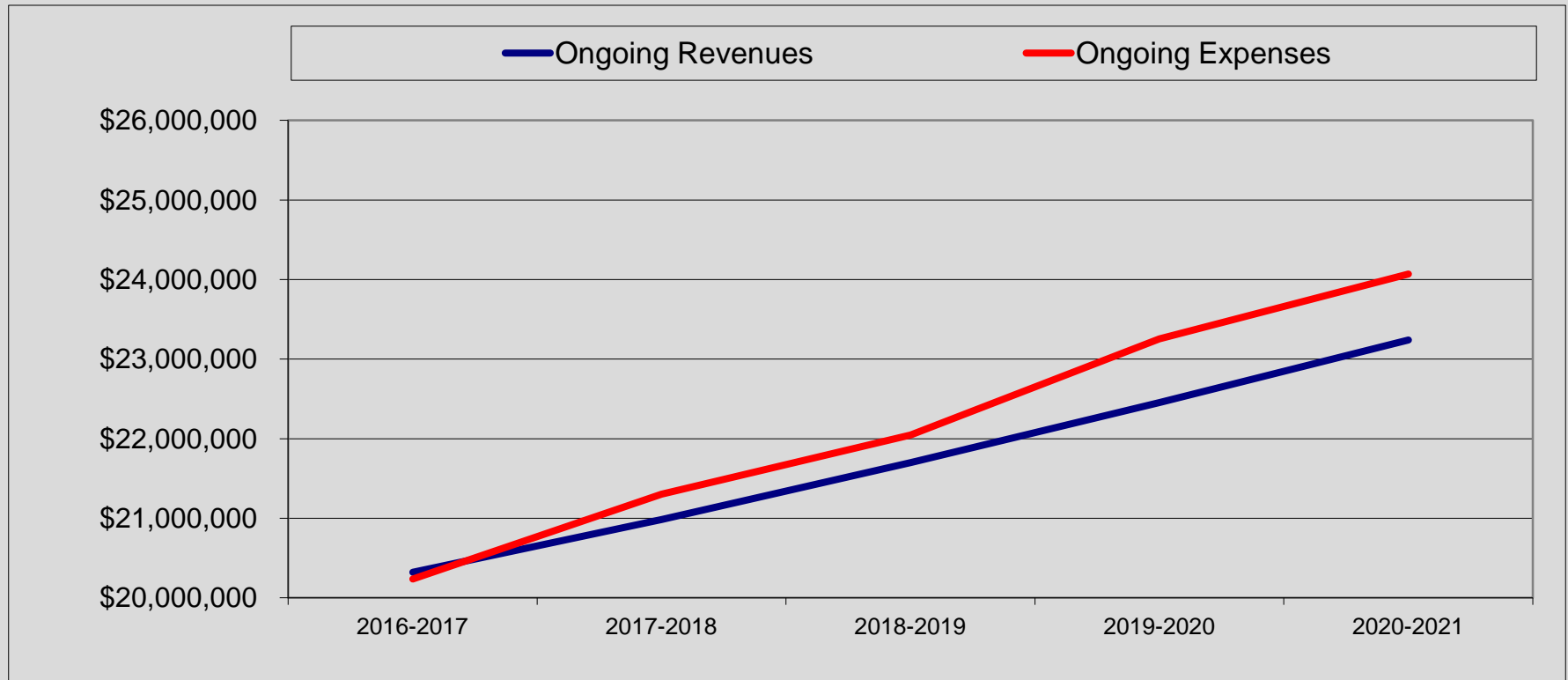


Highlights of FY16/17 Budget

- Includes increases/decreases for “routine” materials and services (i.e. utilities, fuel, etc.)
- Emergency Preparedness
- Tualatin River Greenway Trail Maintenance
- Enhancements to Concerts on the Commons
- Enhance Reading and Tech Programs for Students in the Library, as part of new WCCLS levy
- Capital Projects



Fiscal Health Model – April 2017



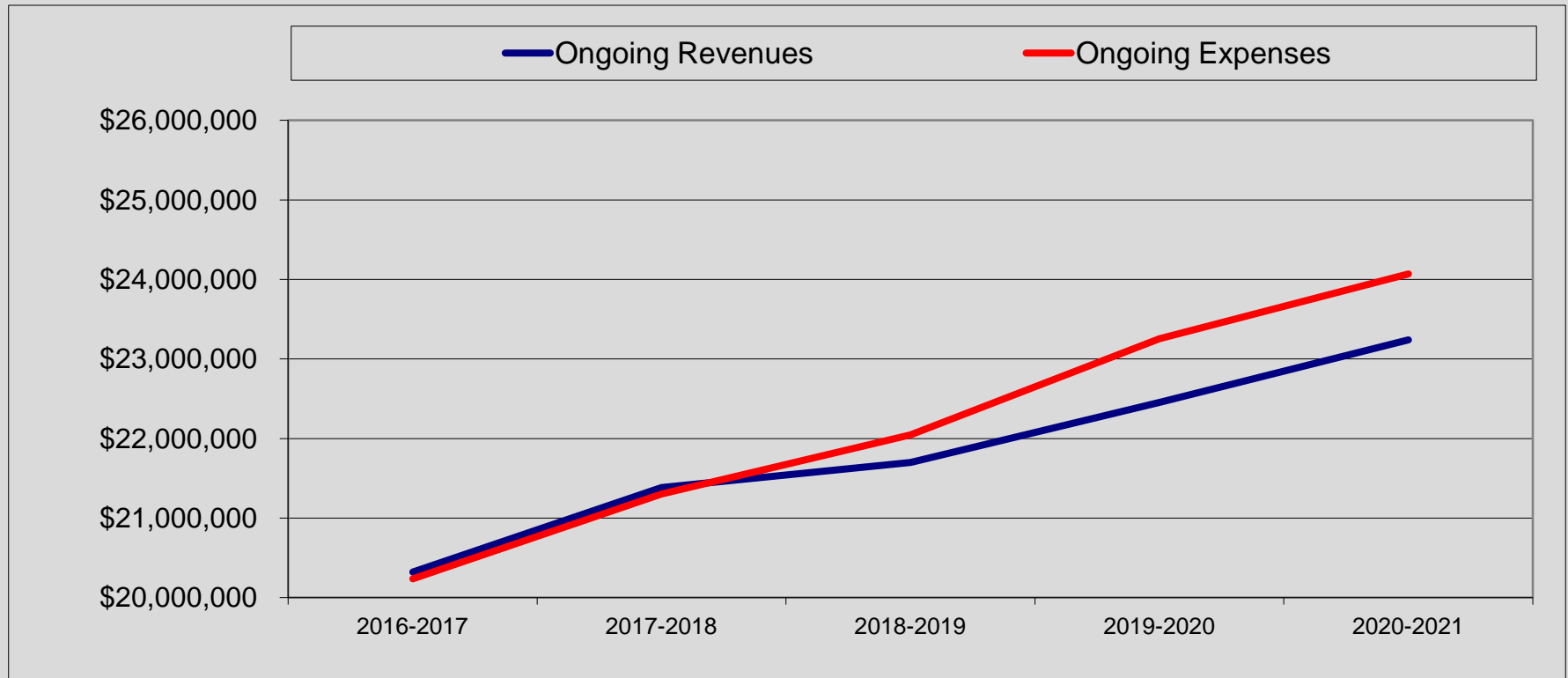
PERS

- Contribution Rate expected to increase, on average, approx. 3.22% in FY 17/18
 - Utilize PERS Reserve (\$400,000) in FY 17/18
- Actual FY 17/18 and 18/19 rates to be released in September
- At this point, we expect contribution rate to increase an additional 4% beginning in FY 19/20



Fiscal Health Model – April 2017

(With PERS Reserve Utilized in FY 17/18)



Proposed Utility Rates

An average **RESIDENTIAL** monthly utility bill would look like this:

Utility System	FY 15/16		FY 16/17		Change
Water:					
- 5/8" x 3/4" meter consumption = 8 CCF	Facilities Charge	\$ 3.65	Facilities Charge	\$ 3.81	\$ 0.16
	Service Charge	\$ 3.69	Service Charge	\$ 3.85	\$ 0.16
	Consumption Charge @ \$2.60/CCF	\$ 20.80	Consumption Charge @ \$2.71/CCF	\$ 21.68	\$ 0.88
	Monthly Total	\$ 28.14	Monthly Total	\$ 29.34	\$ 1.20
Sewer:					
- 1 Dwelling Unit (DU) - Winter average water consumption = 8 CCF	Regional Base Charge @ \$22.25/DU	\$ 22.25	Regional Base Charge @ \$22.92/DU	\$ 22.92	\$ 0.67
	Regional Use Charge @ \$1.48/CCF	\$ 11.84	Regional Use Charge @ \$1.52/CCF	\$ 12.20	\$ 0.36
	Local Base Charge @ \$5.19/EDU	\$ 5.19	Local Base Charge @ \$5.35/EDU	\$ 5.35	\$ 0.16
	Local Use Charge @ \$0.353/CCF	\$ 2.82	Local Use Charge @ \$0.364/CCF	\$ 2.91	\$ 0.09
	Monthly Total	\$ 42.10	Monthly Total	\$ 43.38	\$ 1.28
Surface Water Management:					
- 1 Equivalent Surface Unit (ESU) = 2,640 Sq Ft = 1 house	Regional SWM @ \$1.81/ESU	\$ 1.81	Regional SWM @ \$1.94/ESU	\$ 1.94	\$ 0.13
	Local SWM @ \$5.44/ESU	\$ 5.44	Local SWM @ \$5.81/ESU	\$ 5.81	\$ 0.37
	Local Surcharge @ \$.40	\$ 0.40	Local Surcharge @ \$.40	\$ 0.40	\$ -
	Monthly Total	\$ 7.65	Monthly Total	\$ 8.15	\$ 0.50
Road Maintenance:					
- 1/7th goes to street light operations	Road Utility Fee @ \$1.42/house	\$ 1.42	Road Utility Fee @ \$1.49/house	\$ 1.49	\$ 0.07
	Sidewalk/StreetTree Reverse Frontage	\$ 2.50	Sidewalk/StreetTree Reverse Frontage	\$ 2.50	\$ -
	Monthly Total	\$ 3.92	Monthly Total	\$ 3.99	\$ 0.07
Net Change		\$ 81.81	\$ 84.86		\$ 3.05

- All new rates take effect on July 1



Budget Advisory Committee Meetings

Activity	Date
First Budget Committee Meeting Library Community Room 5:00pm – 6:50pm	May 9
Second Budget Committee Meeting Police Training Room 6:00pm – 8:00pm	May 31
Budget Adoption	June 27

- Dan Gaur
- Robert Kellogg
- Candice Kelly
- Roger Mason
- Paul Morrison
- Brett Rohde
- Terri Ward

QUESTIONS?



STAFF REPORT

CITY OF TUALATIN

MEM-2108

B. 2.

Special Council Work Session

Meeting Date: 04/12/2016

Subject: Tualatin Facilities Study Phase II Update

Information

Attachments

PowerPoint



Tualatin Facilities Study Phase II Update

CITY OF TUALATIN
Public Library City Offices
City Council Work Session
April 12, 2016



City Facilities Study Phase II

- *Background Information*

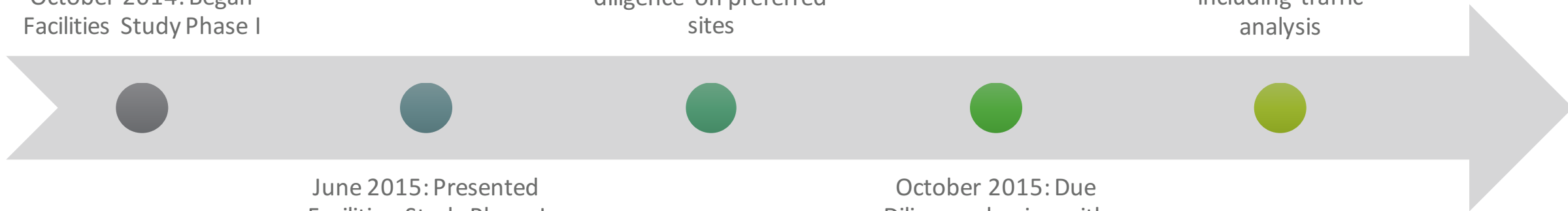
October 2014: Began
Facilities Study Phase I

June 2015: Presented
Facilities Study Phase I
to Council

September 2015:
Council direction to
complete due
diligence on preferred
sites

October 2015: Due
Diligence begins with
evaluation of traffic,
research on Block C,
and evaluation of
Library Space

December 2015:
Present preliminary
results of due
diligence process
including traffic
analysis





Overview

- *Review Traffic Analysis*
- *Present Data on City Hall Alternatives*
 - Police Department Site
 - Commons Site
 - Library
- *Review Cost Estimates and Financial Information*
- *Review Schedule and Next Steps*

Traffic Analysis

Prepared by DKS Associates



Traffic Analysis Findings

- *Findings Include:*
 - Location of peak congestion varies from 4-6 PM (Outgoing employees early, incoming residents later)
 - All study intersections currently meet City's minimum mobility standards (LOS D)
 - Expected to continue to meet standard through 2019
 - Very small impact to overall traffic volumes and congestion
 - No off-site transportation mitigations required for any potential site

City Hall Alternatives

SRG Partnership



Design Assumptions

- *Space Assumptions*

- Projections were based on the the data collected in 2015 Facilities Study

- *Construction Assumptions*

- Standard construction techniques
- Quality materials including:
 - Brick veneer
 - Metal panel
 - Exterior aluminum glass
 - Wood veneer in Council Chambers
- Built to LEED Standards



Cost Estimate Assumptions

- *Cost escalated to 2018*
- *Total Project Cost Includes:*
 - Permit costs
 - Architect/engineer fees
 - Furniture, fixtures and equipment



Police Department Site

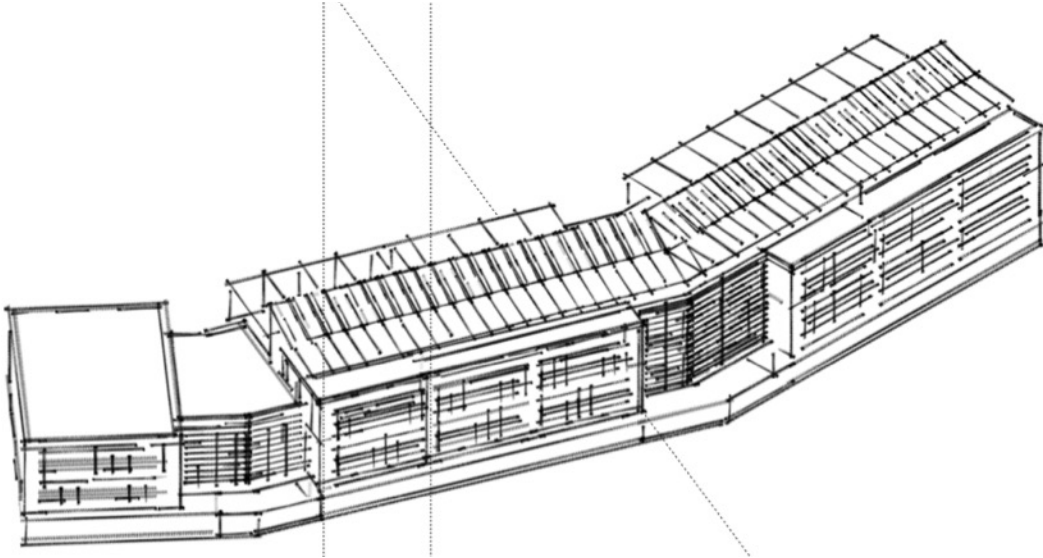




New Building Includes

New City Hall at Police Department

Total Square Footage	49,490 sf
Office Space Square Footage	30,290 sf
Parking Square Footage	19,200 sf
Total Parking Spaces	90 new spaces for City Hall <ul style="list-style-type: none">• 50 new spaces under the building• 40 new surface parking
Cost Per Square Foot	\$324/sf (direct construction cost)
Total Project Cost	\$18.2 million





The Commons Site

- *The Commons Site – 2 Alternatives*
 - Site offers unique opportunity for additional retail/office space
 - Allows room for growth beyond 2025
 - Could provide additional revenue through rental income
 - These alternatives require land purchase
 - Two alternatives:
 - Alternative #1 : 2 story option
 - Alternative #2: 3 story option



Alternative #1: 2-Story Building





Alternative #2 : 3-Story Building

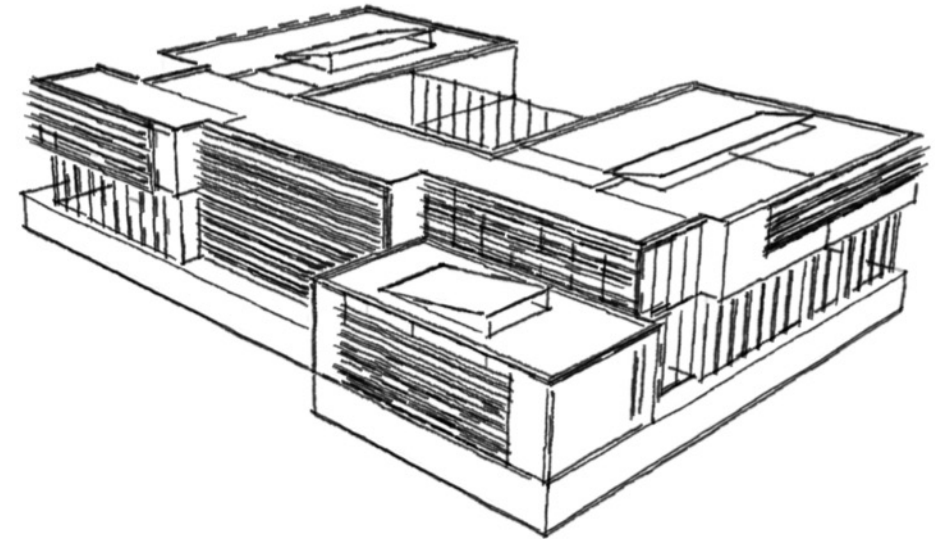




Alternative #1 – 2-Story Building

New 2-Story City Hall at the Commons

Total Square Footage	56,010 sf
City Office Space Square Footage	30,450 sf
Rental Square Footage	3,240 sf (all on ground floor)
Parking Square Footage	22,320 sf
Total Parking Spaces	92 spaces <ul style="list-style-type: none">• 65 new spaces under the building• 27 new surface parking
Cost Per Square Foot	\$308/sf (direct construction cost)
Total Project Cost	\$19.6 million

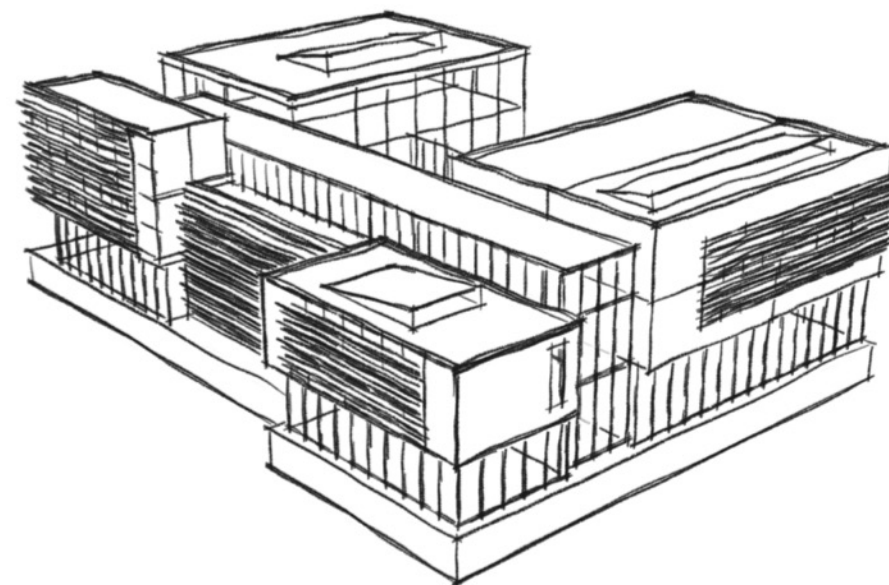




Alternative #2 – 3-Story Building

New 3-Story City Hall at the Commons

Total Square Footage	71,160 sf
City Office Space Square Footage	30,450 sf
Rental Square Footage	13,220 sf (5,170 sf on ground floor)
Parking Square Footage	22,320 sf
Total Parking Spaces	92 spaces <ul style="list-style-type: none">• 65 new spaces under the building• 27 new surface parking
Cost Per Square Foot	\$286/sf (direct construction cost)
Total Project Cost	\$22.9 million





Comparison of City Hall Alternatives

	3-Story Building at Commons	2-Story Building at Commons	New City Hall at Police Dept.
Total Square Footage	71,160 sf	56,010 sf	49,490 sf
City Office Space Square Footage	30,450 sf	30,450 sf	30,290 sf
Rental/Growth Square Footage	13,220 sf (5,170 sf on ground floor)	3,240 sf (all on ground floor)	0 sf
Parking Square Footage	22,320 sf	22,320 sf	19,200 sf
Total Parking Spaces	92 spaces <ul style="list-style-type: none">• 65 new spaces under the building• 27 new surface parking	92 spaces <ul style="list-style-type: none">• 65 new spaces under the building• 27 new surface parking	90 new spaces for City Hall <ul style="list-style-type: none">• 50 new spaces under the building• 40 new surface parking
Cost Per Square Foot	\$286/sf (direct construction cost)	\$308/sf (direct construction cost)	\$324/sf (direct construction cost)
Total construction Cost	\$22.9 million	\$19.6 million	\$18.2 million

Library Study

SRG Partnership



Library Study

- *Library Space Analysis*
 - Library Expansion Priorities:
 - Better space for children/youth
 - Multipurpose community space
 - Improved access to technology
 - Staff space to support library programs
 - Facilities improvements





Renovated & Expanded Library Would Include

Library Expansion

Total Square Footage	27,700 sf
Expansion Space Square Footage	6,500 sf
Cost Per Square Foot	\$134/sf (direct construction cost)
Total Construction Cost	\$3.7 million



Cost Estimates and Financial Analysis



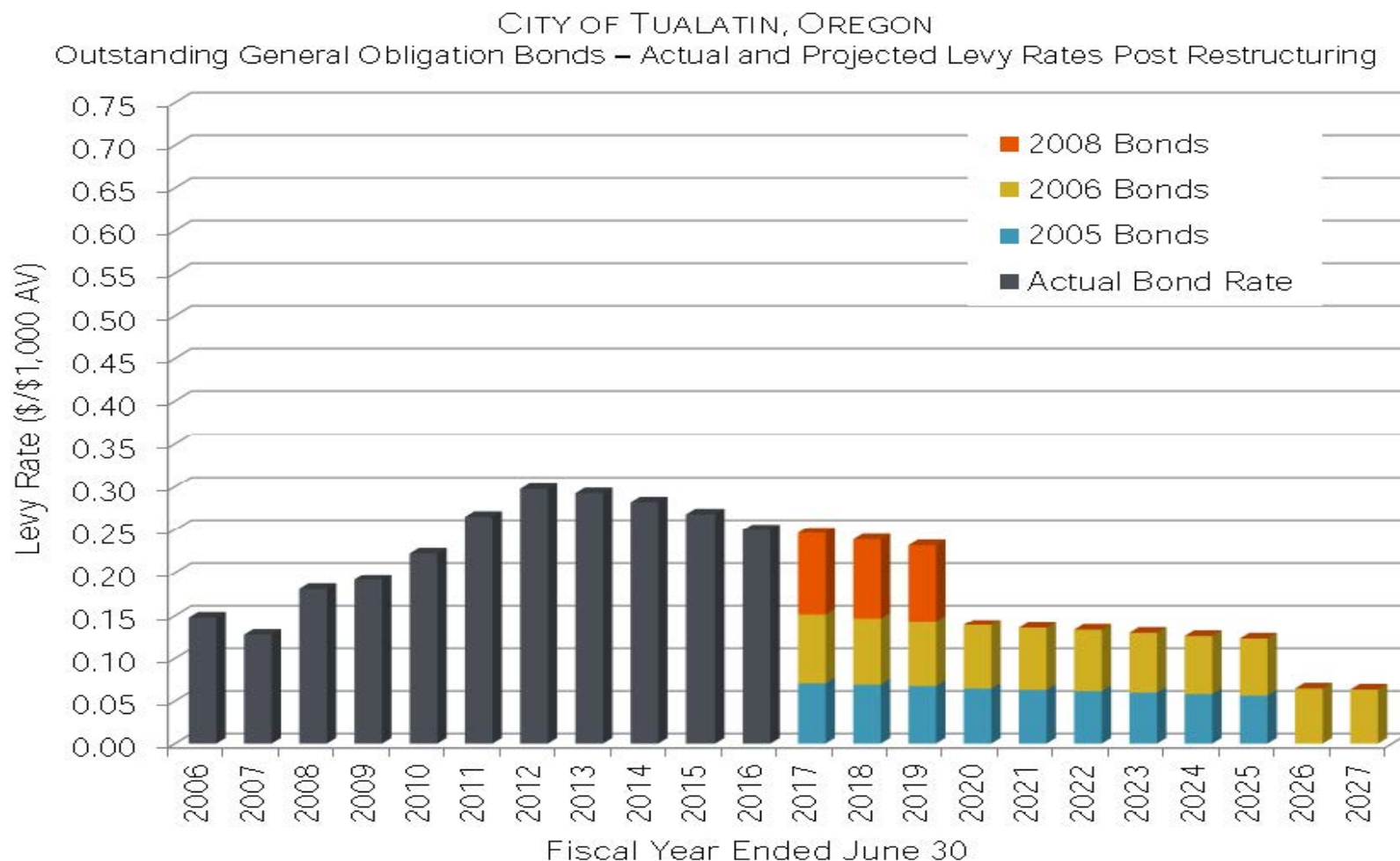
Tualatin Bond History

- *1999 Police Facility Bonds*
 - Refunded in 2008
 - Matures December 1, 2018
- *2005 Parks Improvements Bonds*
 - Matures December 15, 2024
- *2006 Library Construction Bonds*
 - Matures December 1, 2026



Tualatin Bond History

(Courtesy of Piper Jaffray – Seattle NW Division)





Tualatin Bond History

(Courtesy of Piper Jaffray – Seattle NW Division)

CITY OF TUALATIN, OREGON Levy Rates in Neighboring Cities

District	Billing Rate	2016 Levy Rates		Total District Rate
		Local Option Rate	Bond Rate	
Portland City	4.5770	0.4026	2.7830	7.7626
Forest Grove City	3.9554	1.6000	0.3414	5.8968
Molalla City	5.3058	-	0.1270	5.4328
Lake Oswego City	4.9703	-	0.3777	5.3480
Troutdale City	3.7652	-	1.0318	4.7970
Oregon City	4.4090	-	0.1153	4.5243
Beaverton City	4.1466	-	0.2002	4.3468
Milwaukie City	4.1367	-	0.1438	4.2805
Sherwood City	3.2975	-	0.5330	3.8305
Estacada City	2.6749	-	0.3307	3.0056
Tigard City	2.5131	-	0.4190	2.9321
Wilsonville City	2.5206	-	0.1327	2.6533
West Linn City	2.1200	-	0.4186	2.5386
Tualatin City	2.2665	-	0.2497	2.5162
Durham City	0.4927	-	1.1960	1.6887



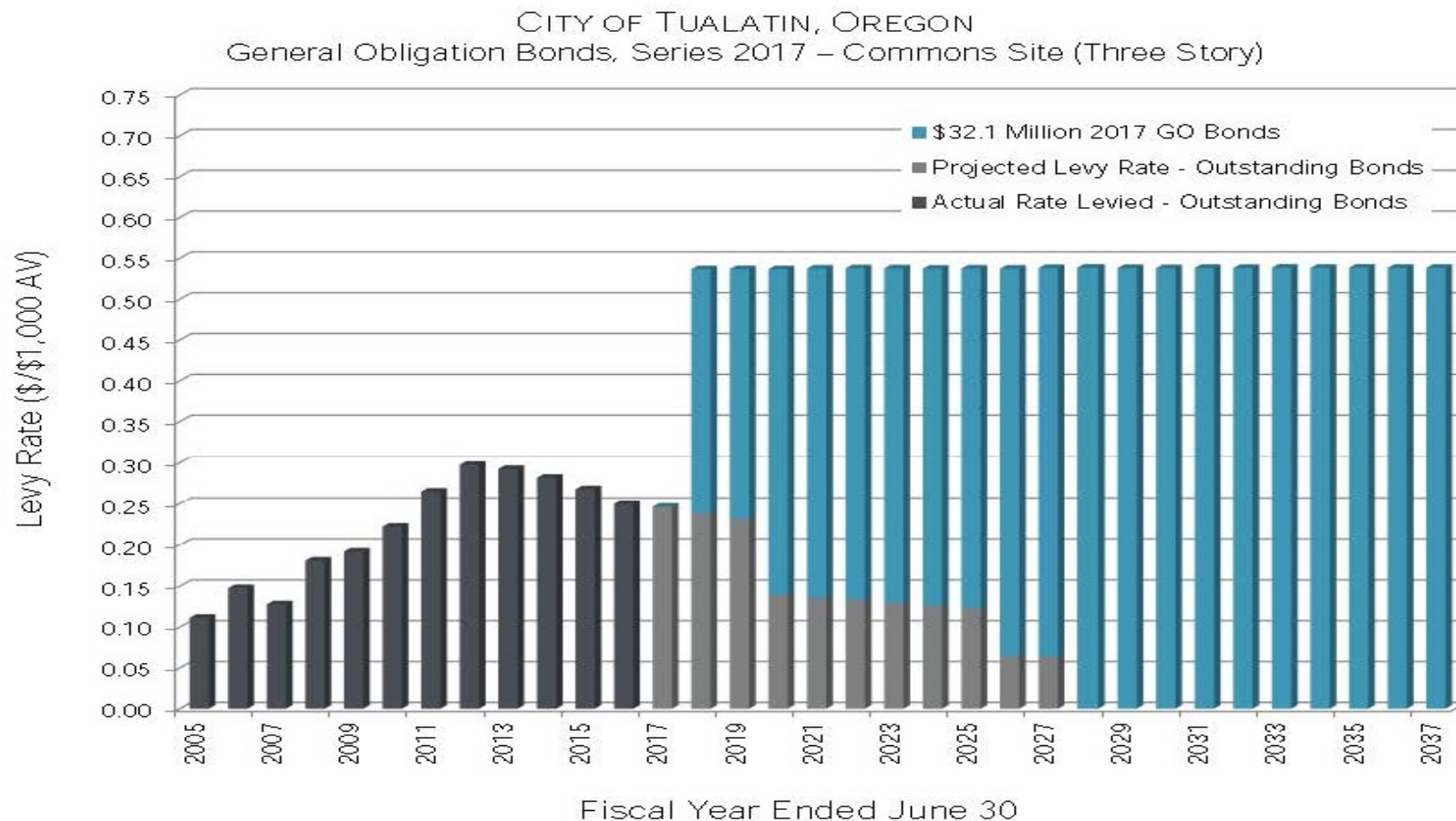
Bond Options

- *Assumptions for New Issue*

- New City Hall costs and Library Expansion costs
- 20 year bond issue
- Current interest rates +1%
 - Assumes sale in early 2017
- Includes costs of issuance for the bonds
- Assessed Value (AV) growth of 3% per year through 2020, 2.75% thereafter
- Level Levy Rate
 - Current bond levy rate is \$0.2497 / \$1,000 of AV
 - Structured to take advantage of existing bonds maturing
 - Does not include savings from refunding existing Parks and Library Bonds

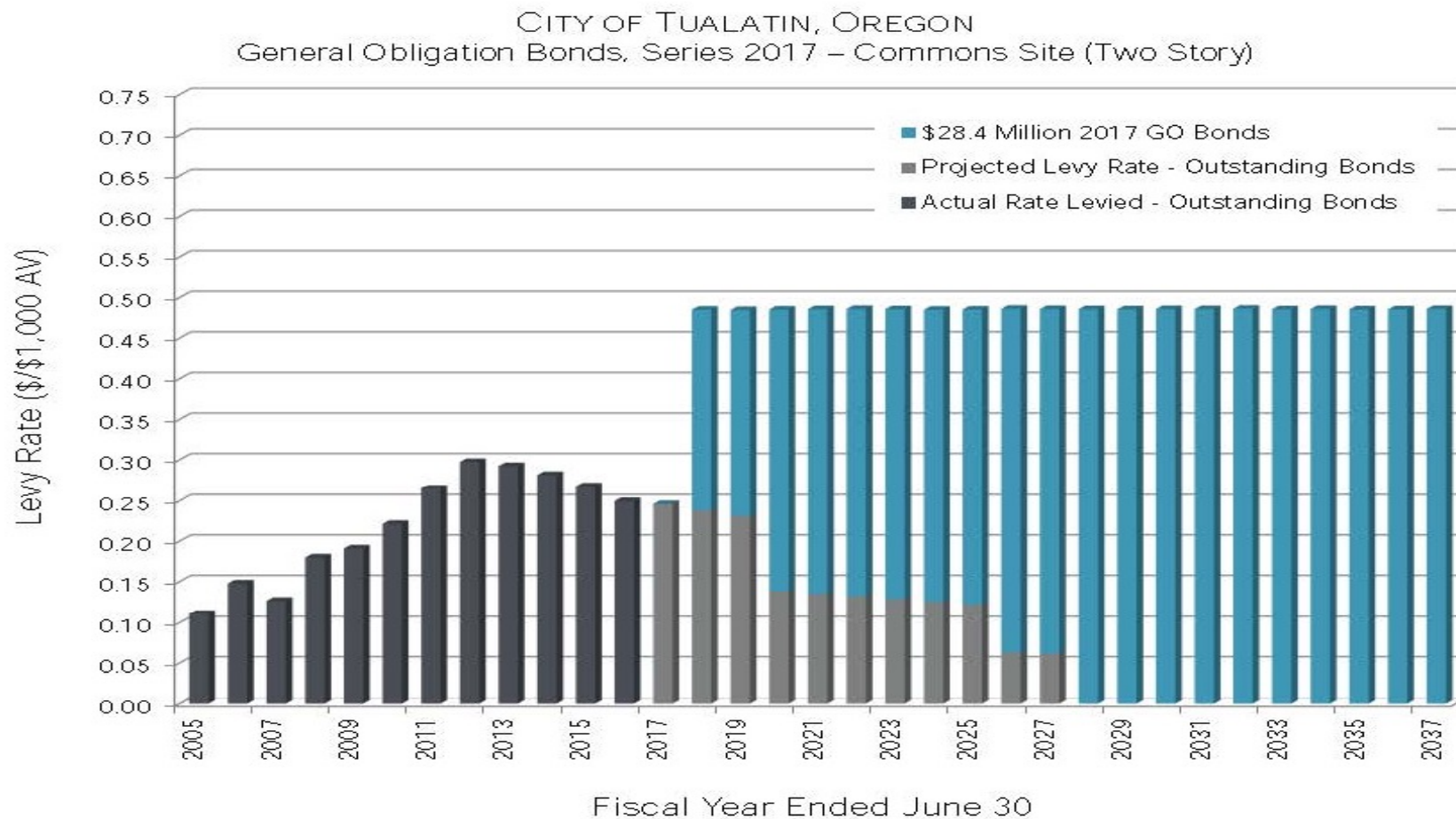


Bond Options – Commons 3 Story



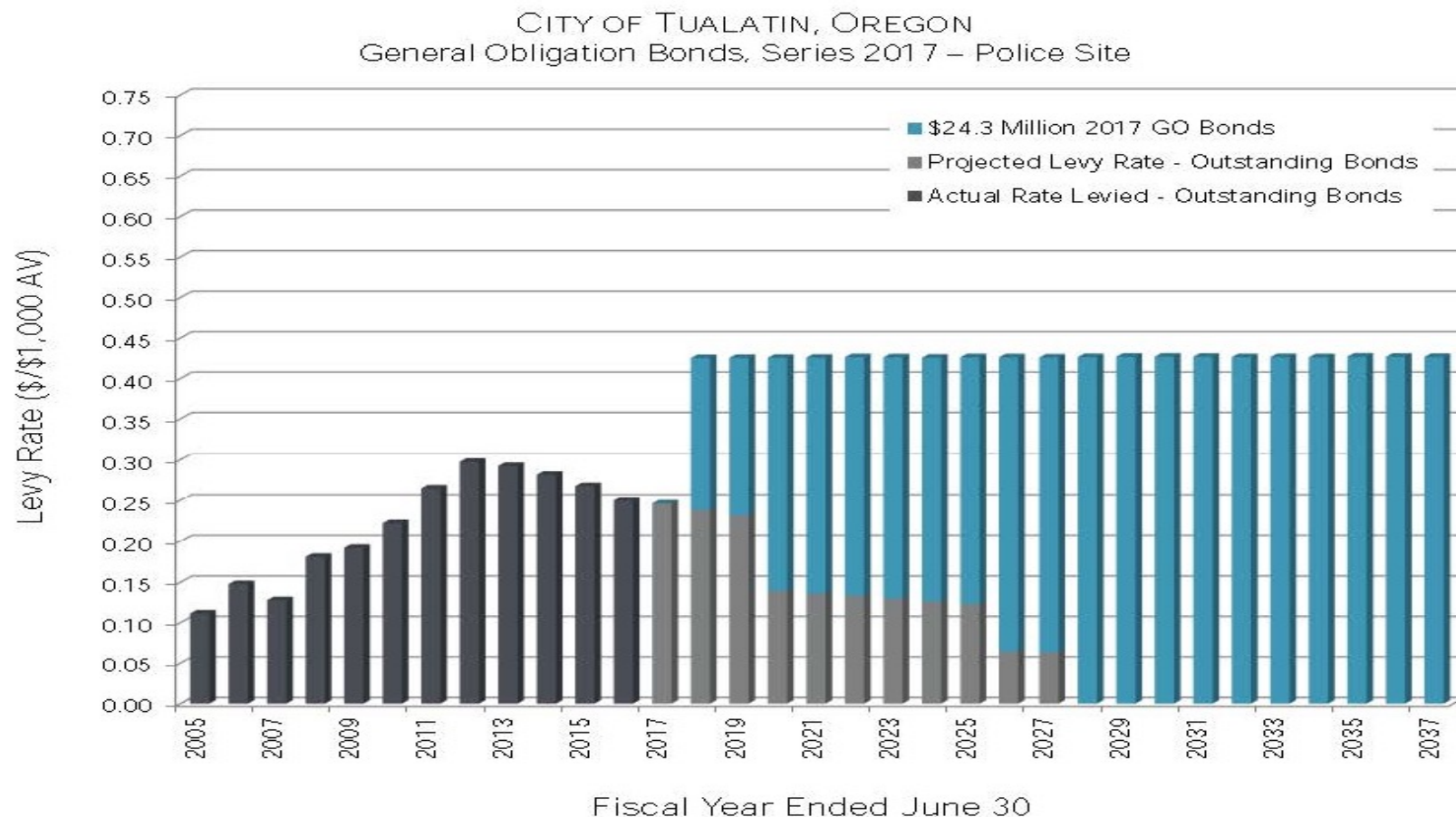


Bond Options – Commons 2 Story





Bond Options – Police Site





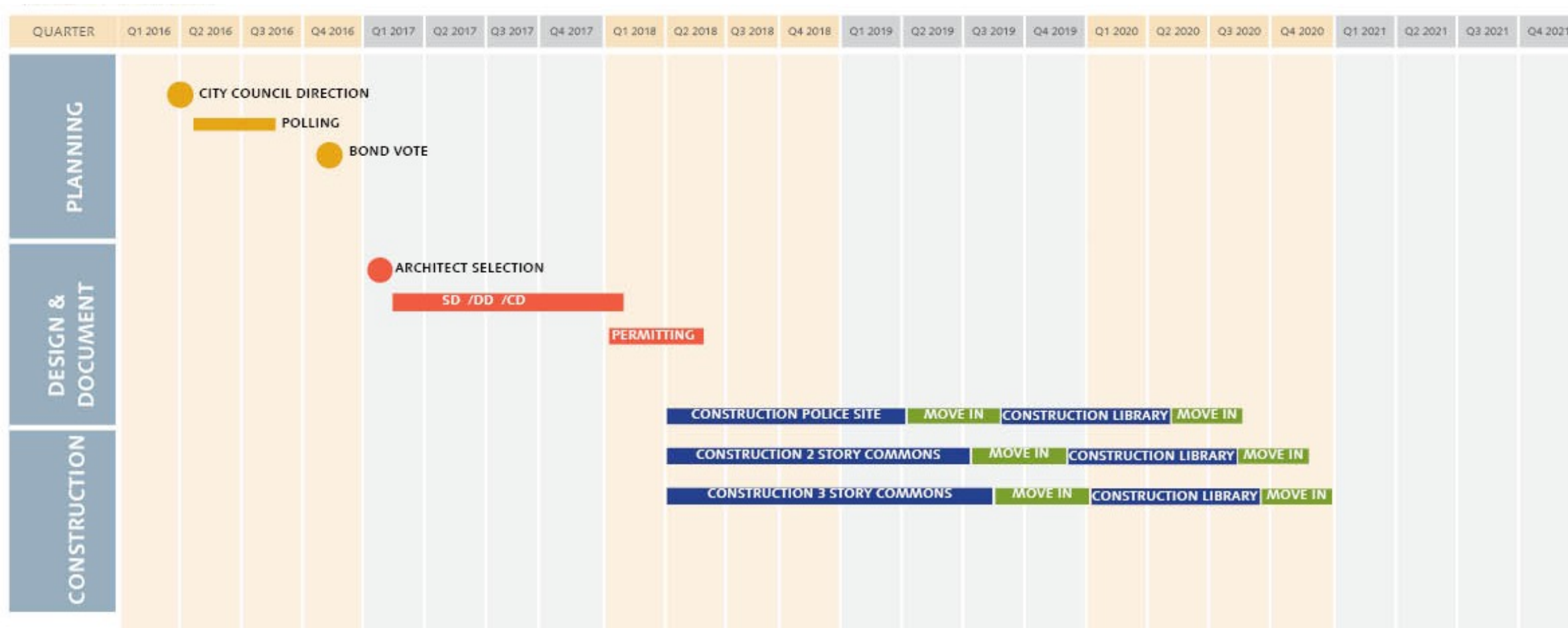
Comparison of Bond Alternatives

	3-Story Building at Commons (with Library Expansion)	2-Story Building at Commons (with Library Expansion)	New City Hall at Police Dept. (with Library Expansion)
Bond Issue Size	\$32.1 million	\$28.4 million	\$24.3 million
Actual FY 15/16 Bond Rate	\$0.2497	\$0.2497	\$0.2497
Estimated FY 16/17 Bond Rate	\$0.2462	\$0.2462	\$0.2462
Projected Bond Rate FY 17/18	\$0.5385	\$0.4864	\$0.4273
Estimated annual cost for home with \$200,000 Assessed Value:			
Estimated FY 16/17	\$49.24	\$49.24	\$49.24
Projected FY 17/18	\$107.70	\$97.28	\$85.46

Next Steps



Construction Schedule



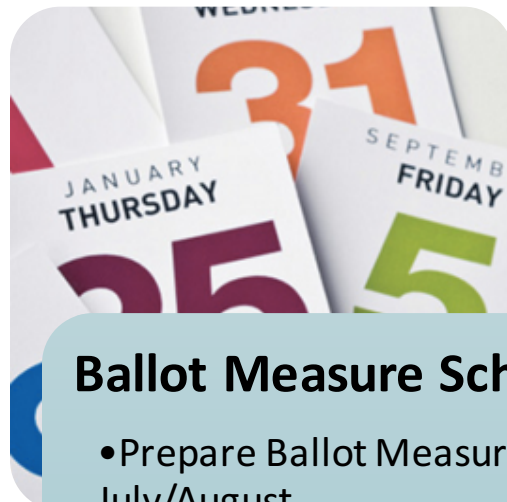
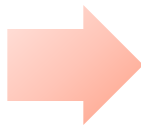


Project Next Steps



Public Involvement

- Develop PI Plan – April/May
- Community Survey – May
- Meetings, Outreach, and Events - May - June
- Present PI Results to Council - July



Ballot Measure Schedule

- Prepare Ballot Measure Title – July/August
- **Council Files Ballot Title – August 8**
- Publish Ballot Title in Newspaper
- Last Day to File Notice of Measure Election w/ County - September 8



Election

- November 8



Project Next Steps

- *Narrow City Hall Alternatives*
 - Council direction on one preferred alternative
- *Public Outreach*
 - Develop public involvement plan
- *Council Decision to File Ballot Title – August 8, 2016*

Questions & Discussion

Thank You!