



OFFICIAL MINUTES BUDGET ADVISORY COMMITTEE MEETING FOR MAY 8, 2017

Present: Candice Kelly, Roger Mason, Taylor Sarman, Terri Ward, Lou Ogden, Frank Bubenik, Nancy Grimes, Jeff DeHaan, Paul Morrison, Robert Kellogg, Brittany Valli, Rebekah Morse, Joelle Davis

Absent: Dan Gaur

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Bill Steele; 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; Management Analyst II Kelsey Lewis; Parks and Recreation Manager Rich Mueller; Management Analyst II Zoe Monahan; City Engineer Jeff Fuchs; Program Coordinator Lisa Thorpe; Accounting Supervisor Matthew Warner; Economic Development Manager Melinda Anderson; Human Resources Director Stacy Ruthrauff; 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 Terri Ward, SECONDED by Frank Bubenik to nominate Roger Mason as Committee Chair.

Vote: 10 - 0 MOTION CARRIED

D APPROVAL OF MINUTES

Moved to the next meeting.

- 1 Consideration of Minutes from the Budget Advisory Committee Meeting of May 31, 2016

E MEETING AGENDA AND MATERIALS

- 1 Review Fiscal Year 2016-17
- 2 Deliver Budget Message and Distribute Proposed Fiscal Year 2017-18 Budget

Finance Director Don Hudson presented a PowerPoint on the Fiscal Year (FY) 2016-17 budget message. He announced this year's budget theme as "Tualatin on the Move." He briefly reviewed the FY 2016-17 budget, completed City projects, and job growth.

Director Hudson stated the proposed FY 2017-18 is \$91,668,840, which is an increase of 8.95%. He stated the Tualatin Development Commission (TDC) FY budget is \$4,068,055 and decreased 2.25%.

Director Hudson reviewed the chart of accounts clean-up that was conducted. A list of revenue category clean-up was presented. Current revenues remain status quo and are providing stable revenue picture. Director Hudson spoke to property taxes. This category is the second largest revenue source for the City and provides half of the general fund revenue. He spoke to the impacts of Measure 50 and the permanent tax rate for the City. An increase of 4.26% was seen in property taxes this year based of development in the area.

Chair Mason asked how much developable land remains in Tualatin. Economic Development Manager Melinda Anderson stated there is less than 200 acres of developable industrial land remaining.

Director Hudson stated charges for services such as storm drain, sewer, water, and other sources is projected to increase 8.9%. Licenses and permits and fees are growing 5% based on strong development activity in the area. He noted overall revenue is stable and expected to remain that way.

Director Hudson began his review of expenditures. He noted overall expenditures, less reserves, contingencies, and transfers, will go up 1.52%. Personnel Services is the largest expenditure category at 40% and will increase 5.7%, mostly due to increases in PERS. Director Hudson stated this is the first year of the two year biennial rate with contribution rates increasing on a weighted average of 3.85%, with a total pension expenditure increase of 19.5%. Other personnel services changes include the addition of three new positions: Community Engagement Coordinator, part-time Library Assistant, and a Police Officer. Materials and Services are 36% of the expenditure budget and are increasing 7.67%. This increase is due to items out of the City's control such as contractual obligations.

The Capital Outlay fund was reviewed noting the account decreased 15% due to the shifting of the timeline on the Myslony Bridge project. Additional capital expenditures will include replacement of mobile data terminals in police vehicles, updates to the kitchen at the Juanita Pohl Center, pedestrian safety projects, ADA improvements in City parking lots, an Electronic Document Management system, and the painting of the wave rail around the Tualatin Commons. The Debt Services fund is maintain and remains the same.

Director Hudson stated the Tualatin Development Commission fund has earned interest revenue on its current fund, and the commission will be looking at ways to spend those monies in the future.

Director Hudson distributed the proposed FY 2017-18 budget.

3 Discussion of Fiscal Year 2017-18 Budget

Director Hudson proceeded with an overview of the smaller funds including the Building, Tualatin Scholarship, and the Core Area Parking District Funds. Debt Services Funds were reviewed and included the General Obligation and Enterprises Bonds. Capital Development Funds including Park Development, Water Development, Sewer Development, Storm Drain Development, and the Transportation Development Tax Funds were reviewed.

The Tualatin Development Commission (TDC) Funds were reviewed including the Administration, Central Urban Renewal District, and Leveton Project Funds.

Director Hudson briefly addresses the Financial Policies that are being reviewed by Council and are on an upcoming Council agenda for adoption. He spoke to the purpose and goals of the manual stating there are nine policies in total. He highlighted the Revenue, Operating Budget, Expenditure, and Contingency and Reserves policies.

Councilor Morrison asked for clarification on how the contingency funds work. Director Hudson explained the process for maintaining 15% contingency in the General, Building and Utility Funds with the net balance going into the Capital Development Funds.

4 Discuss Second Budget Committee Agenda

The meeting concluded with a brief discussion of the agenda for the next budget meeting on May 30th, 2017.

F OTHER ISSUES

None.

G ADJOURNMENT

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

Sherilyn Lombos, City Manager

 / Recording Secretary