



OFFICIAL MINUTES OF THE SPECIAL WORK SESSION OF THE TUALATIN CITY
COUNCIL FOR APRIL 23, 2013

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

Absent: Councilor Wade Brooksby

Staff Sherilyn Lombos, Don Hudson

Present:

Attendees: Kaaren Hofmann, Clayton Reynolds, Joe Phillips, Mick Wilson, Lisa Thorpe, Cortney Cox, Abigail Elder, Robert Kellogg, Mark Gardner, Larry Braaksma, Greg Pickering, Candice Kelly, Del Judy, Dan Gaur, Kent Barker, Alice Rouyer, Lynette Sanford, Paul Hennon, Sara Singer, Aquilla Hurd-Ravich, Lance Harris, Carl Switzer, Tom Steiger, Ben Bryant, Janet Newport, Matthew Warner, Roger Mason, Denice Ambrosio, Bert Olheiser

A. CALL TO ORDER

Mayor Ogden called the special work session to order at 5:04 p.m.

B. AGENDA

City Manager Sherilyn Lombos began the discussion of the FY 2013/14 budget process update. Mayor Ogden addressed everyone and stressed the value of the Council members input.

Finance Director Don Hudson gave a PowerPoint presentation of the Fiscal Year 2013/14 budget overview, which included the fiscal health diagnostic model, two decision packages for Council input, and an overview of a proposed Operations Warehouse project. Director Hudson said staff's direction during budget preparation was to maintain service levels, look for savings and efficiencies, and prepare a budget with limited growth in materials and services while continuing to provide quality services to citizens.

Director Hudson reviewed comparison graphs of FY 11/12 and FY 12/13 of ongoing general fund revenues and expenditures and FY 13/14 proposed ongoing revenues and expenditures. Director Hudson stated that we are doing a great job of remaining stable. He discussed some of the changes in the on-going revenues and expenditures.

With PERS being the second largest single expenditure in the General Fund - \$1.9 million in FY 13/14. Director Hudson provided a high level overview of PERS, its impact to Tualatin and some of the legislative reforms being discussed at the Oregon Legislature. Mayor Ogden asked where the future biennium projections are from. Director Hudson stated that the projections come from the State of Oregon.

City Manager Lombos mentioned that it is important to spend time discussing PERS, since it is something with a significant impact on the budget and is the second largest general fund item. Councilor Truax stated the message of potential reforms is false savings, and as we go through this budget process we should not rely on it.

One-time expenditures were reviewed. These included replacing the police mobile data terminals, replacing HVAC units at the Van Raden Center, replacing police vehicles, parking lot repair and overlay in Community Park, network hard drive space and upgrade to network security, and email archiving technology. The ongoing expenditures exceed ongoing revenues by about 0.7%. Mayor Ogden asked how much the 0.7% was in dollars. Finance Director Hudson stated that it translates to \$125,000 and there is a fund balance available to cover this cost. Mayor Ogden raised the concern of the PERS deficit and if these costs should be budgeted. It was mentioned that the increased PERS costs were already included in the FY 13/14 budget. Discussion followed regarding the one-time expenses and the replacement schedule.

Discussion turned to the fiscal health model and future analysis. Director Hudson stated there will be revenue growth due to construction. Councilor Truax commented that the City is in a great position of managing the resources we have control over. Mayor Ogden agreed.

Director Hudson discussed the decision packages, beginning with a request for a Police Service dog for drug detection. Since 2009, there have been over 440 drug related calls for service in the City of Tualatin. The FY 13/14 cost would be \$21,694; FY 14/15 would be \$10,450. Councilor Truax asked the difference between dual purpose and detection dogs. Police Chief Kent Barker responded that the detection dog is specialized. He also stated that there is a high need for the drug detection dog because they are not readily available and there is a wait involved when a call is made. The second decision package proposed a part-time Library Children's Services Assistant, the FY 13/14 cost would be \$32,450.

Interim Public Works Director Clayton Reynolds gave an overview of the Operations Warehouse project. This is outside the decision package and general fund budget and the total proposed cost is \$2,226,665. This building would sustain the Operations department for the next 40-50 years and it will triple the space. Director Hudson stated we have \$1 million in reserve; leaving \$1.2 million to finance. Discussion followed regarding the reserve funds.

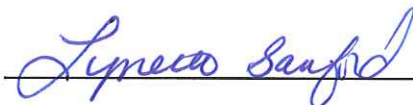
Council had a discussion regarding the decision packages. Mayor Ogden asked what type of dog is currently used in Police. Police Chief Barker responded that they're currently using tracking dogs. Chief Barker added that if the drug detection dog is approved, we may be able offset the cost due to donations from the community, businesses, and private citizens. Councilor Beikman commented that she would be in favor to approve the police dog, but is concerned due to increasing costs within the budget in the next few years and the possibility of cutting services. Councilor Bubenik agreed with Councilor Beikman. Councilor Davis and Councilor Truax were in favor. Councilor Grimes added that the potential community support would help offset the cost, which she is in favor of. Councilor Truax asked for a count. The count was as follows: Police Dog: 3 for, 3 opposed. Library Assistant: 1 for, 5 opposed. This discussion will continue at a future meeting. There were no objections to the Operations Warehouse project.

Director Hudson concluded the discussion with a review of the next steps/timeline for the upcoming Budget Committee meetings in May, with budget adoption scheduled for approval at the June 24, 2013 Council meeting.

C. ADJOURNMENT

The meeting adjourned at 7:30 p.m.

Sherilyn Lombos, City Manager



/ Lynette Sanford, Recording Secretary