



TUALATIN BUDGET ADVISORY COMMITTEE MEETING

Monday, May 11, 2026
5:00 PM

TUALATIN CITY SERVICES
10699 SW HERMAN ROAD
TUALATIN, OR 97062

Link: <https://us02web.zoom.us/j/89213454496>
Phone: +1 669 900 6833
Meeting ID: 892 1345 4496
Password: 18880

Call to Order

Welcome and Introductions

Elect Committee Chair

Approval of Minutes

1. Consideration of the Budget Committee Meeting Minutes of May 28, 2025 and February 9, 2026

Budget Overview

Discuss City Revenues

Adjournment

In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.



TUALATIN BUDGET ADVISORY COMMITTEE

OFFICIAL MEETING MINUTES
FOR MAY 28, 2025

PRESENT: Bridget Brooks, Brittany Valli, Chris Brune, Frank Bubenik, John Hannam, Maria Reyes, Cyndy Hillier, Valerie Pratt, Christen Sacco, Elizabeth Michels, Alyssa Colon, Joseph Tanous, Mary Dirksen

ABSENT: Octavio Gonzalez

Call to Order

Chair Michels called the meeting to order at 5:32 p.m.

Public Hearing

Assistant Finance Director Matt Warner stated the intent of the public hearing is to receive state shared revenues. He noted this is the first of two public hearings required to receive a portion of the state liquor tax revenue. Director Warner stated the city is estimated to receive \$479,130 in the FY 25/26 budget. The revenue is not restricted and is used for general city operations. He noted cigarette, gas, marijuana, and remaining liquor taxes are not covered in this public hearing.

PUBLIC COMMENT

None.

Department Presentations

Finance Director Don Hudson presented the Internal Services departments, which include seven budgetary divisions across six functional areas. He shared FY 2024–25 highlights, including awarding Outside Agency Grants, launching the city website redesign, completing collective bargaining agreements with AFSCME and TPOA Sergeants, and hiring 50 new employees. In Finance and Municipal Court, highlights included expanding the investment program, upgrading budget software, and launching wedding ceremony services. Legal Services supported updates to the procurement ordinance, amendments to Council Rules, and assisted in Riverfront Park property acquisitions. Information Services implemented new software tools, completed access control and security upgrades at city facilities, and enhanced infrastructure to reduce cybersecurity risks.

Director Hudson reviewed the FY 25–26 budget objectives and financials for each Internal Services department. For the City Council and Administration departments, he noted objectives such as advancing the city's DEI efforts and continuing to improve internal processes. The City Council budget reflects a 21.32% decrease in Personal Services and a 2.27% decrease in Materials and Services, while Administration shows a 15.02% increase in Personal Services. In Finance, objectives include expanding public education on city finances and enhancing transparency and reporting tools. The department is budgeted for a 5.24% increase in Personal Services and a 2.81% increase in Materials and Services. He shared Municipal Court objectives are to improve and evaluate the use of technology in court operations. The court budget includes a 4.05% increase in Personal Services and no change in Materials and Services. Director Hudson stated Legal Services will continue monitoring

legislative changes and supporting city initiatives, with a 6.52% increase in Personal Services and no change in Materials and Services. Information Services plans to improve cybersecurity, enhance customer service, and implement new software tools. Its budget includes a 4.68% increase in Personal Services, a 21.40% increase in Materials and Services, and a 10.26% decrease in Capital Outlay. Director Hudson stated the non-departmental budget supports citywide expenditures as well as contingency and reserves, showing a 4.69% increase in Personal Services, a 2.5% increase in Materials and Services, and a 33.51% decrease in Reserves and Unappropriated funds.

Director Hudson reviewed the city's contingency funds, describing them as a "what if" bucket used to address unanticipated needs in the budget. He explained that contingency levels follow the city's Contingency and Reserve Policy, which sets targets at 15% of total appropriations for the General Fund, 15% of operational requirements for the Building and Utility Funds, and a net balance approach for capital development funds. Any use of contingency funds requires Council approval. Director Hudson clarified the difference between reserves, which are designated for specific purposes and can be spent during the fiscal year with a supplemental budget, and unappropriated fund balances, which are restricted to future fiscal years.

Director Hudson highlighted one-time capital projects in the FY 25–26 budget, including the Police Department roof replacement, fuel tank upgrades, and sports court replacements at Jurgens Park. He also discussed the Gaps and Needs Project, in partnership with Merina+Co, which is evaluating service and staffing gaps across the city and proposing long-term strategies for addressing them.

Director Hudson stated the FY 25–26 total budget is \$165,118,825 million, a 5.37% increase from the prior year. He stated revenues are projected to grow 10.53%, and expenditures will increase by 8.87%. Director Hudson stated the city remains in a strong financial position due to strategic budgeting practices over time.

Member John Hannam asked how the city planned to fund the identified projects in the Water Fund. Director Hudson responded that \$9 million in water projects are being addressed, typically through rate revenues.

Public Comment

Friends of the Tualatin Library President Laura Baker advocated for continued funding for the library, noting that changes in the Washington County funding cycle will impact WCCLS and reduce the number of service hours it supports. She stated that the upcoming levy would only fund 45 service hours per week, while the Tualatin Library currently operates 65 hours, and encouraged the city to fill the funding gap. Director Hudson explained that while WCCLS funding is projected to decrease in the next levy cycle, the current year's budget will remain intact. City Manager Lombos added that staff are closely monitoring the situation and are prepared to evaluate options to maintain services should a funding gap arise in future years. They reiterated that the city values the library as a vital community service and will continue to prioritize its operations.

Council President Pratt asked whether contingency funds could be used to fill a potential funding gap for the library if WCCLS allocations are reduced. City Manager Sherilyn Lombos responded that funding for the library will remain unchanged for the current fiscal year. She noted that any changes related to the next levy cycle would need to be considered in the following year or two.

Director Hudson concluded by reading the submitted public comment expressing support for maintaining full library funding.

Committee Questions and Comment

Director Hudson shared that the “Welcome to Tualatin” document was updated and noted the City Council priorities graphic will also be revised in the adopted budget.

Director Hudson responded to submitted committee member budget questions. He shared regarding charges for services in the Vehicle Replacement Fund and the increase in the category was due to rising utility rates. In response to a question about court fines, he clarified the jump from actuals to projected was the result of resuming in-person enforcement and backlog resolution. On miscellaneous income, he explained it includes one-time or rare items such as grant revenue for an intern. The increase in donations for community services was attributed to the purchase of Honor Bricks at Veterans Plaza.

Director Hudson stated the rise in structural permit revenues was linked to LAM expansion permits. Increases in beginning fund balances for the Road Utility, Park Development, and Sewer Operating Funds were tied to timing differences in project completion.

Member Mary Dirksen asked about utility rate increases. Director Hudson said they are driven by utility master plans and reviewed annually.

Questions about Council line items included why conferences and meetings are increasing to which Director Hudson noted that Council members are traveling again. Benefits insurance variations were explained as the result of an employee opting out.

Director Hudson stated the substantial increase in cell phone costs was due to consolidating phone contracts into the Information Services budget. The jump in R&M Computers stemmed from updated maintenance contracts.

Other questions addressed telephone services in Non-Departmental (desk phones), consultant line increases (due to the Gaps and Needs Analysis), and a small increase in noticing budgets to support enhanced public notice mailings. A drop in salaries and wages in one area was due to staff transitions rather than FTE changes. Regarding the Tualatin Science & Technology Scholarship Fund, Hudson stated the interest earnings were retained to grow the fund’s impact over time.

Parks and Recreation Director Dustin Schull answered questions about unchanged training budgets despite workforce development goals, noting they aim to leverage internal resources. He detailed that increases in consultants and professional services will support site development surveys. Regarding Basalt Creek property signage, he stated signs will be installed as the City finalizes ownership. He also explained the Reverse Frontage Program is only eligible on specific roads.

Public Works Director Rachel Sykes clarified an objective related to LED light conversion, correcting the number to 68. In response to a sewer fund transfer question, Hudson said the \$200,000 increase was to shift funds between capital projects.

Director Hudson spoke on the Tualatin Development Commission’s tax revenue increase, noting this is the first year collecting funds for the CORA district. Consulting costs in the TDC budget were attributed to CORA visioning work.

Additional discussion covered Council priorities and how many FTEs are involved in implementation. Director Hudson emphasized cross-departmental support. For Priority 5 related to seismic valves, Director Sykes confirmed it is part of capital planning. On community engagement in the sidewalk maintenance program, City Manager Sherilyn Lombos said staff will return with an update.

Parks Maintenance Manager Tom Steiger responded to a question on street trees, confirming that an approved species list is used. Director Schull elaborated on an AI-based tool to track attendance and event success. He stated the vendor specializes in working with cities and does not collect personal information. Director Aquilla Hurd-Ravich stated staff are currently scoping the next Comprehensive Plan update.

Consideration of Approval for FY 2025-2026 Budget

Director Hudson presented several proposed amendments to the FY 2025–2026 budget. He stated the first amendment is to carry forward funds for an HVAC unit that will not arrive until the end of the current fiscal year. Additional amendments include carryovers for a grant-funded data backup project, shelving for the library, and trauma-informed care training expenses. Funds are also being carried forward to replace the “Girl with the Ice Cream Cone” statue, which was stolen and will not be replaced before year-end.

Member John Hannam asked whether additional security measures would be implemented to prevent future theft. Parks and Recreation Director Schull stated the statue would be secured differently to deter theft.

Director Hudson added that funds for the Neighborhood Traffic Safety Program also need to be carried forward, and a \$1,500 donation to the Tualatin Science and Technology Scholarship Fund must be added to the budget.

Motion to approve the Fiscal Year 2025 - 2026 City of Tualatin budget, as presented and amended, the property taxes it contains at the rate of \$2.2665 per \$1,000 of assessed value for operating purposes, and the amount of \$5,263,160 for payment of general obligation bond principal and interest made by Hannam, Seconded by Pratt.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Michels, Colon, Tanous, Dirksen

MOTION PASSED

Motion to approve the Fiscal Year 2025 - 2026 Tualatin Development Commission budget, as presented. made by Hannam, Seconded by Pratt.

Voting Yea: Brooks, Valli, Brune, Bubenik, Hannam, Reyes, Hillier, Pratt, Sacco, Michels, Colon, Tanous, Dirksen

MOTION PASSED

Adjournment

The meeting was adjourned at 7:40 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor



TUALATIN BUDGET ADVISORY COMMITTEE

OFFICIAL MEETING MINUTES
FOR FEBRUARY 09, 2026

PRESENT: Committee Member Valerie Pratt, Committee Member Bridget Brooks, Committee Member Maria Reyes, Committee Member Cyndy Hillier, Committee Member Octavio Gonzalez, Committee Member Christen Sacco, Committee Member Chris Brune, Committee Member John Hannam, Committee Member Elizabeth Michels, Committee Member Mary Dirksen, Committee Member Gerardo Sanchez-Velazquez, Committee Member Daniel Bachhuber, Student Member Teddy Tsaknaridis

ABSENT: Committee Member Frank Bubenik

Call to Order

Chair Micheals called the meeting to order at 5:02 p.m.

Welcome and Introductions

Meeting Agenda and Materials

1. Follow-up from FY 2025-26 Budget Committee Meetings

Parks and Recreation Director Dustin Schull and FCS Consultants Zach Hazel and John Ghilarducci provided an update on the Parks Utility Fee. Finance Director Don Hudson stated the Parks Utility Fee was originally adopted in 2021 and has not been adjusted since its inception. He stated the existing fee is \$5 per month per equivalent dwelling unit. The fee has been used to address deferred parks maintenance and to fund parks capital projects.

Director Hudson stated a Parks Replacement Fund concept was previously forwarded to the Budget Committee by members of the Tualatin Parks Advisory Committee. The Committee requested additional information to develop a data driven fee structure. He stated the City contracted with FCS to complete an analysis. Director Hudson stated the scope of work included development of an asset replacement expenditure plan, identification of bond and utility fee funded assets, and a revenue requirements analysis and fee calculation.

Director Schull reviewed the list of capital projects, including new park amenities with future replacement costs built into the model and major repairs and replacements such as playground replacements, restroom replacements, and sport court resurfacing.

Consultant Hazel presented three rate scenarios, noting all scenarios assume an annual cost inflation rate of 3.3%. He stated Scenario 1 includes a \$5.50 initial monthly rate, Scenario 2 includes a \$6.00 initial monthly rate, and Scenario 3 includes a \$6.50 initial monthly rate. He also provided comparisons to surrounding cities and stated each scenario is consistent with park utility fees in the region.

Director Hudson requested feedback from the Committee regarding the proposed scenarios.

Member Hannam asked whether an inflation factor was included in the proposed costs. Consultant Hazel confirmed the model includes an annual inflation rate.

Member Brooks asked whether facilities are being maintained beyond their useful life. Director Schull stated the Long-Range Facilities Plan is being reviewed and will incorporate it into future updates. He stated once that plan is updated, the funding model can also be updated accordingly.

Member Brooks asked how removing a building would impact the budget. Director Schull stated funding adjustments would be made from the appropriate funds.

Member Michels asked where the rate would be today if an inflation factor had been included when the fee was originally adopted. Consultant Hazel stated the rate would be approximately \$5.88 per month.

Director Hudson stated the Parks Utility Fund would function similarly to the Road Utility Fund in that it is dedicated to specific infrastructure needs.

Member Brune asked questions regarding the presentation graph and stated it was difficult to see funding gaps. Director Schull stated staff developed the project list thoughtfully to reflect realistic replacement needs.

Member Pratt stated the original intent of the fee was to address approximately 30 years of deferred maintenance and expressed concern about repeating that situation. She stated not including an inflation adjustment initially may have been an oversight and supported including one moving forward.

Member Gonzalez asked whether grants could help fund projects and what level of effort would be required to secure them. Director Hudson stated the analysis does not assume grant funding, but noted staff will pursue grant opportunities as they become available. Director Schull stated staff actively seek grants when eligible.

Member Reyes asked for clarification regarding housing numbers used in the analysis. Director Hudson stated the model is based on current housing numbers with a 1% annual growth assumption.

Member Reyes asked whether the Parks Utility Fee is separate from System Development Charges and whether it would be an additional fee. Director Hudson confirmed they are separate fees serving different purposes.

Member Sacco asked what rate level Committee members were comfortable supporting.

Member Dirksen stated she would like to hear public input but would be comfortable with a \$5.50 rate.

Member Brune stated that since there has not been an increase since adoption, a \$6.00 rate would be reasonable.

Member Tsaknaridis asked whether residents would have an opportunity to comment on the proposed fee. Director Hudson stated the proposal would be presented to the City Council, and the public would have an opportunity to provide comments at that time.

Member Brooks reiterated the importance of the fee and asked whether improved efficiency and planning would help address long-term capacity issues.

Member Dirksen asked about fee variance among cities. Consultant Hazel stated Gresham charges an overall service fee, with approximately 5% allocated to parks. Director Schull stated the Parks Utility Fee helps reduce pressure on the General Fund.

Member Micheals asked staff to explain the difference between taxes and fees. Director Hudson stated taxes are based on property value, while fees are charged for a specific service and may be established by Council action.

Member Gonzalez asked about a scenario involving the use of tree planting fees. Director Hudson stated staff would need to evaluate that scenario further.

Member Hannam stated the city is already addressing deferred needs and expressed support for a rate in the \$6.00 range to ensure assets are properly maintained.

Member Sanchez stated many community members are experiencing financial strain and expressed support for selecting the lowest feasible option.

Member Bachhuber expressed concern regarding cumulative tax and rate increases. He asked when water rates would increase. Director Hudson stated water rates are scheduled to increase on July 1st and are projected to increase by approximately 11%.

Director Hudson then presented an update on the Gaps and Needs Project. He stated the City contracted with Merina+Co to conduct a facilitated gaps and needs analysis with City departments. He stated the project began in July 2025 and is currently focused on identifying existing service levels, evaluating desired service levels, and defining performance outputs.

City Manager Sherilyn Lombos stated the current budget process will include more robust discussions regarding departmental requests and service level expectations.

2. Update on FY 2025-26 Budget-to-Date

Finance Director Don Hudson presented an update on Fiscal Year 2025–26. He reviewed operating fund revenue budgets compared to actuals for the current year. Director Hudson stated the General Fund is trending as expected. He noted certain minor variances, including revenue generated when the Police K-9 assists with a federal investigation.. He stated the Road Operating Fund includes Community Development Block Grant revenue. The Water Operating Fund reflects grant funding associated with the InPipe Micro Turbine Project. He stated all other funds are trending similarly to prior years.

Director Hudson reviewed revenue budget to actual comparisons and stated revenues are trending as projected and are expected to remain stable if current conditions continue. He reported General Fund expenditures are also trending as anticipated. Within the operating funds, he noted consultant expenditures related to the LAM expansion project, explaining that some plan review services will be outsourced. He stated overall the organization remains stable and on target.

Member Dirksen asked when contract negotiations are scheduled. Director Hudson stated negotiations with the Tualatin Sergeants bargaining unit will occur this year.

Director Hudson reviewed Fiscal Year 2025–26 highlights. Parks and Recreation Director Dustin Schull highlighted completion of Las Casitas Park and the Juanita Pohl Center meal program. Public Works Director Rachel Sykes reported on completion of the InPipe Micro Turbine Project and stated the city secured grant funding to install seismic valves at all City reservoirs. Community Development Director Aquilla Hurd-Ravich stated the Downtown Revitalization Project was initiated and the City has acquired property in the downtown area for redevelopment. She stated staff anticipates completing the remaining planning work by summer 2027.

Director Hudson provided legislative updates. He stated the Legislature is currently in short session and that 285 bills have been introduced. He stated the City’s lobbyist, Thorn Run Partners, is tracking 50 bills of interest to Tualatin, and the League of Oregon Cities is tracking approximately 160 bills. He highlighted two economic development related bills, Senate Bill 1586, known as the JOBS Act, which modifies tax credits for semiconductor research, and House Bill 4084, the Prosperity Roadmap Package, which relates to small business and trade. He also noted several bills related to Transient Lodging Tax, including House Bill 4134, which increases the state Transient Lodging Tax, and House Bill 4148 and Senate Bill 1562, known as the LOCAL Act, which would provide additional flexibility in the use of Transient Lodging Tax revenues.

Director Hudson reviewed the Fiscal Year 2026–27 budget calendar.

Committee Questions and Comment

Councilor Brooks spoke regarding several of the legislative bills, noting interest in the economic development proposals and the potential impact to local jurisdictions.

Member Pratt asked for clarification regarding the proposed tax credits and tax breaks included in the JOBS Act and how those reductions in revenue would be offset at the state level. Director Hudson explained the tax credits are structured as short term incentives intended to stimulate investment and economic activity, with the expectation that long term economic growth would help offset the initial reduction in revenue.

Adjournment

Chair Michels adjourned the meeting at 6:33 p.m.

Sherilyn Lombos, City Manager

_____ / Nicole Morris, Recording Secretary

_____ / Frank Bubenik, Mayor